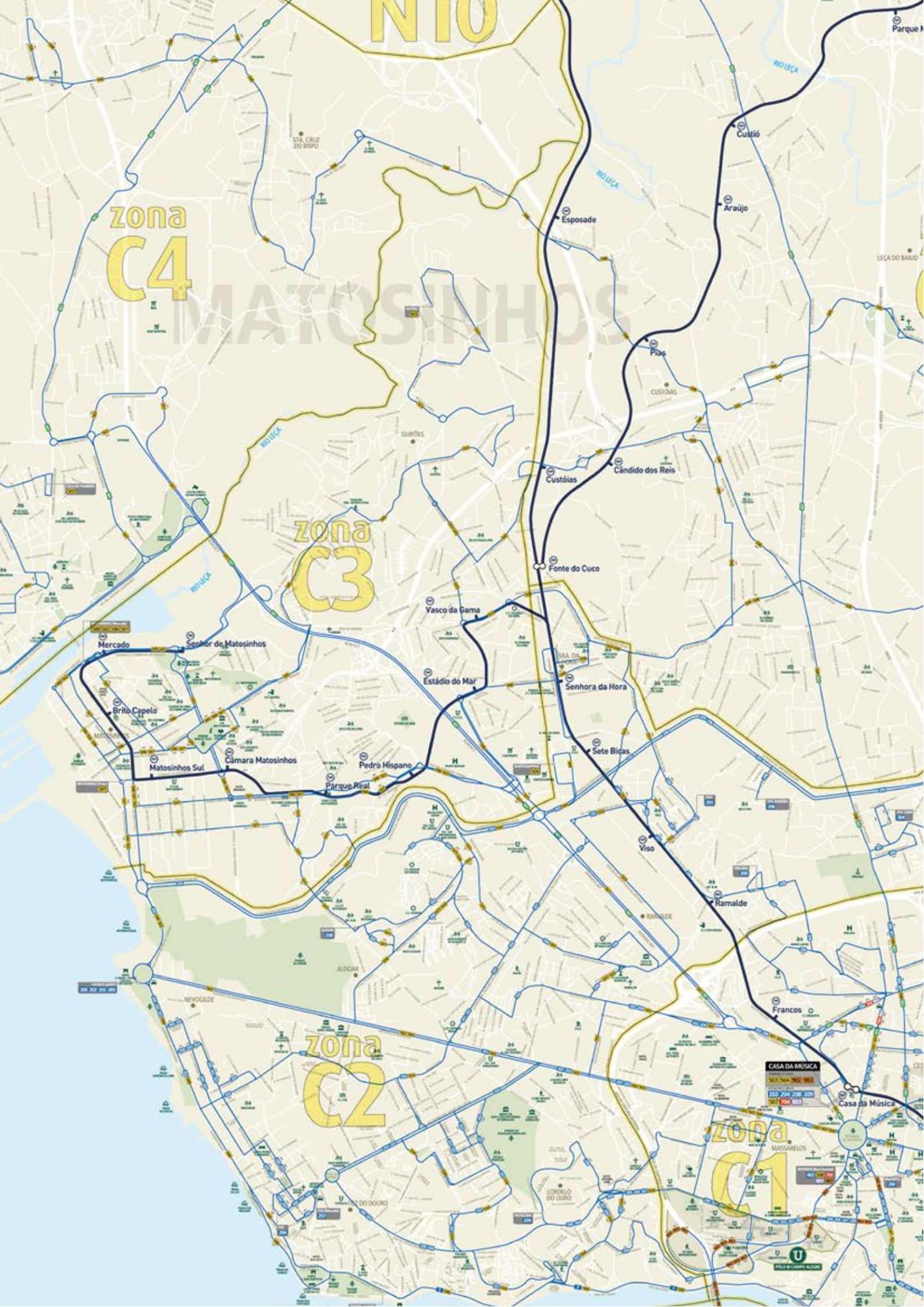


2013
ANNUAL
REPORT





zona
C4

zona
C3

zona
C2

zona
C1

CASA DA MÚSICA
961 504 902 903
202 294 298 209
961 204 903

Casa da Música

MASSARELOS

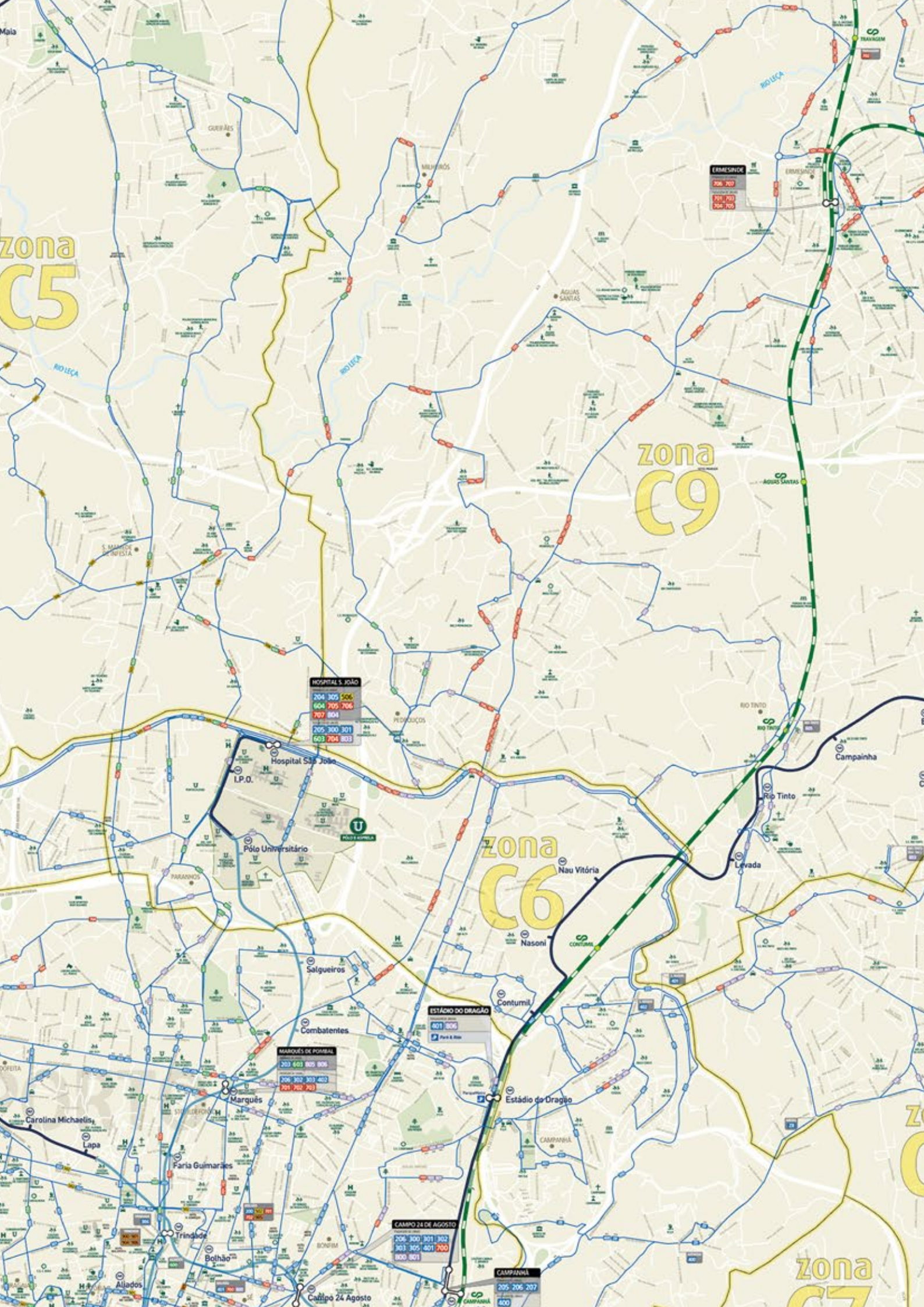
POLO 8 CAMPO NOVO

zona
C5

zona
C9

zona
C6

zona
C7



HOSPITAL S. JOÃO
204 305 506
604 705 706
707 804
205 300 301
603 704 803

ESTÁDIO DO DRAGÃO
401 806
Park & Ride

MARQUES DE POMBAL
203 403 805 806
206 302 303 402
201 702 703

CAMPO 24 DE AGOSTO
206 300 301 302
303 305 401 700
800 801

CAMPANHA
205 206 207
400

ANNUAL REPORT AND ACCOUNTS

7 1. MESSAGE FROM THE CHAIRMAN

9 2. YEAR OF 2013

9 2.1 COMPANY PRESENTATION

10 2.2 YEAR AT A GLANCE - SPOTLIGHTS

11 2.3 ACTIVITY EVOLUTION

2.3.1 Key Indicators

2.3.2 Overall Passenger Demand and Fare Income

2.3.3 Supply

21 3. REPORT FROM THE SUSTAINABLE DEVELOPMENT POINT OF VIEW

22 3.1 INTEGRATED MANAGEMENT SYSTEM – QUALITY, ENVIRONMENT AND OCCUPATIONAL HEALTH AND SECURITY

26 3.2 RESPONSIBILITY TOWARDS CUSTOMERS

3.2.1 Social Service

3.2.2 Customer Satisfaction

3.2.3 Communication Strategy and Customer Information

3.2.4 A Range of new Projects

30 3.3 RESPONSIBILITY TOWARDS COMMUNITY

3.3.1 The Fleet

3.3.2 Participation in the Local Community's Life

3.3.3 Promoting Safety on Public Transport

3.3.4 Tram Museum

3.3.5 Associations and Partnerships

38 3.4 ENVIRONMENTAL ISSUES

42 3.5 SOCIAL RESPONSIBILITY TOWARDS STAFF

3.5.1 Human Resources

3.5.2 Professional Development

3.5.3 Social Benefits

3.5.4 Employee Health, Welfare and Security

3.5.5 Internal Communication and Relationship with Stakeholders

49	4. CORPORATE GOVERNANCE	101	7. ACCOUNTS FOR 2013 FINANCIAL YEAR
50	4.1 CORPORATE MISSION, OVERVIEW, VALUES AND POLICY	161	8. LEGAL CERTIFICATION OF ACCOUNTS
50	4.2 CORPORATE GOVERNANCE MODEL AND MEMBERSHIP	165	9. SUPERVISORY BOARD'S REPORT AND OPINION
57	4.3 CORPORATE GOVERNANCE MEMBERS' REMUNERATION	183	10. ADDITIONAL INFORMATION
63	4.4 MANAGEMENT OBJECTIVES AND ACHIEVEMENT LEVELS	184	10.1 PANEL OF ACTIVITY INDICATORS
67	4.5 INTERNAL AND EXTERNAL REGULATIONS	193	10.2 GLOBAL REPORTING INITIATIVE INDEX TABLE (GRI)
68	4.6 INFORMATION ON RELEVANT TRANSACTIONS WITH RELATED ENTITIES		
69	4.7 INFORMATION ON OTHER TRANSACTIONS		
72	4.8 SHAREHOLDER'S AND COURT OF AUDITORS' RECOMMENDATIONS		
76	4.9 IDENTIFYING MAIN RISKS FOR STCP'S OPERATING ACTIVITY		
77	4.10 SUPERVISION AND INTERNAL CONTROL SYSTEM		
77	4.11 CODE OF ETHICS AND CONDUCT		
77	4.12 PREVENTION PLAN OF RISKS OF CORRUPTION AND RELATED INFRINGEMENTS		
77	4.13 PREVENTION OF CONFLICTS OF INTEREST		
78	4.14 INFORMATION DISCLOSURE		
80	4.15 COMPLIANCE WITH LEGAL REQUIREMENTS SUMMARY TABLE		
82	4.16 PRINCIPLES OF GOOD CORPORATE GOVERNANCE DETAILED TABLE		
87	5. MANAGEMENT REPORT		
87	5.1 MACROECONOMIC FRAMEWORK		
88	5.2 YEAR IN REVIEW		
88	5.3 INVESTMENT		
88	5.4 FINANCING		
92	5.5 RESULTS FOR THE FINANCIAL YEAR		
94	5.6 COMPANY'S ASSETS EVOLUTION		
95	5.7 PROPOSAL FOR THE ALLOCATION OF RESULTS		
95	5.8 NOTES TO THE MANAGEMENT REPORT		
97	6. OUTLOOK FOR 2014		



zona
C4

zona
C5

zona
C3

zona
C2

zona
C6

CASA DA MÚSICA
503 504 902 903
203 200 208 209
507 700 803

POLO DO CAMPO ALEGRE



MESSAGE FROM THE CHAIRMAN

The financial year of 2013 was highlighted by STCP's management-related issues as well as other major strategic matters arising from staff effective resizing, the merger with the company Metro do Porto and the project model adopted for the transfer of lines and routes operation to the private sector.

In terms of current management a good level of operational performance was achieved and should therefore, be pointed out. A rise of 0,3% in revenue was recorded ranging from 45M€ to 45,2 M€ along with a cost reduction of nearly 500 thousand euros to 54,6 M€, 0,9% less than the previous year, resulting in a coverage rate of operating expenditure by the revenue having risen from 82% to 83%. In 2013, STCP achieved EBITDA positive results totaling 5,8 M€ and an operating loss of 6,4 M€ - representing a significant improvement of 36,8%, towards -10,1 M€ relative to the year of 2012.

Particularly noteworthy is that the improvement achieved in operational performance of the company was recorded in a context of a major downturn in demand coupled with the decrease in the number of passengers totaling 78,7 million in 2013 as a result, corresponding to 7,5% less than the year before, i.e. in 2012. This demonstrates outstanding team efforts and commitment targeting improvement of results.

The decline in the total number of passengers on the other hand, comes from the discontinuation of the overall single mode ticketing system thus, promoting mobility and intermodality as well as from the supply rationalisation policy namely through improved timetables and frequencies aimed at removing redundant procedures and increasing cost-effectiveness of available resources.

In 2013, STCP maintained its network in operation with 72 lines, serving 51 parishes in 6 municipalities covering a length of 480 Km and around 2.500 stops. The fleet made up of 474 buses carried on average more than 265 thousand passengers each weekday.

Attention should also be drawn to STCP's tram network performance including 3 operating lines serving a small area of the historic city centre and Douro riverside. STCP's tram network carried nearly 390 thousand passengers, 25 thousand more than the year before corresponding to a 6,9% improvement. This outcome highlights the contribution of the tram network, an iconic symbol of the city of Porto promoting the fast-growing tourism market that the city has been experiencing.

Regarding environmental concerns diesel oil savings totaling 3,8 million euros were delivered owing to the wider use of natural gas powered fleet, the emission of 527 tonnes of CO₂ having even been avoided.

STCP is ready to tackle development and sustainability challenges jointly with the company Metro do Porto looking at merging some services gradually. In terms of merging other areas and reducing staffing levels there remains uncertainty over the organisation model of mobility within the Porto Metropolitan Area. Nevertheless, in 2013 a policy of developing common cultural values was pursued and studies have been made concerning the transfer of operational services to the private sector and preparation for the launch of the tendering process for respective concession expected to occur during the year of 2014.

By working more closely together with the company Metro do Porto, STCP is ready to more effectively operate within the Porto Metropolitan Area.

João Velez Carvalho





YEAR OF 2013

2.1 COMPANY PRESENTATION

- > It is a 100% State-owned public limited company
- > It is the main urban public passenger transport provider within Porto Metropolitan Area. Nearly 78,7 million passengers were carried¹ in the last financial year
- > It serves 51 parishes with about 900 thousand residents and six municipalities as well: Matosinhos, Maia, Valongo, Gondomar, Vila Nova de Gaia and Porto
- > On 31 December STCP operated:
 - › A Network made up of 72 lines
 - 61 daytime and night lines – 58 Bus lines and 3 Tram lines
 - 11 Bus late night lines
 - › A 480 Km Network Stretch serving 2.461 stops
 - 478 Km Bus Network
 - 9 Km Tram Network
 - › A fleet comprising of 474 Buses and 6 Trams
 - › With a total number of staff: 1.231 employees out of which 70% were bus and tram drivers. Average number of staff was 1.245.
- > In the financial year of 2013, STCP:
 - › Operated 22,6 million Km¹
 - › Carried 265 thousand passengers¹ each weekday, on average
 - › Generated a Turnover of 49,5 million euros
 - › Had EBITDA² positive results in the amount of 5,8 million euros and an Operating Loss totaling 6,4 million euros
 - › Delivered savings of nearly 11.500 tonnes of CO2 due to fleet characteristics (54% consisting of natural gas powered buses) as well as to a relevant shift from private car use to public transport.

1. Data adjusted to strip off effects of route exploitation contracts (subcontracted services) non-existent on 31.12. 2013.

2. Results before depreciation charges, financing costs and taxation, provisions, impairments, adjustments, financial component of the operating lease and severance payments arising from employment contract terminations.

2.2 YEAR AT A GLANCE – SPOTLIGHTS

DATE	SPOTLIGHTS
January	Fare pricing average increase by 0,9%. Discontinuation of STCP single mode fare pricing with the exception of overall network season tickets sold on board
February	Line 700 operating “Bolhão-Campo” route came into service
February	Special inspection operations carried out in close cooperation with the Police Service
April	65th Anniversary celebration since the first bus route started operating
April	Signing of a memorandum of understanding with trade unions and workers committee
May	XXIII Annual Parade of Historic Trams and celebration of Museums’ International Day at the Tram Museum
May	Beginning of a vehicle crew-oriented gymnastics programme in the workplace
May and June	STCP ran special services during Queima das Fitas Academic Festivities, Optimus Primavera Sound Festival, Serralves Foundation Celebrations and the Feast of St. John
June	Provision of on bus audiovisual announcements for Andante Zone identification purposes as well as end of zone, for each bus stop
June	PORTO PREMIUM 3 IN 1”, ticket was designed by Carristur, STCP and Metro do Porto partners giving access to travel on historic trams, a trip on the Guindais funicular and on Carristur Sightseeing Circuits
June	STCP’s Annual General Meeting
September	STCP and Metro do Porto working together for public transport growth as part of an annual awareness raising campaign - the European Mobility Week, launched by UITP (International Association of Public Transport) an European wide initiative to support and promote sustainable urban mobility
October	Follow-up audits carried out related to second triennium certifications obtained in Quality, Environment and Security and Health at Work
December	Christmas Festivities jointly celebrated with Metro do Porto and ceremony held in honour of employees for 25 years of seniority

2.3 ACTIVITY EVOLUTION

2.3.1 Key Indicators

Key Activity Indicators [1]	unit	2010	2011	2012	2013	13/12	
						Abs	%
Demand							
Bus							
Passengers	10^3	95.516	94.978	84.700	78.288	-6.412	-7,6%
Passengers km	10^3	332.276	330.110	307.061	284.278	-22.783	-7,4%
Kilometres operated on average, per passenger	km	3,48	3,48	3,63	3,63	0,01	0,2%
Tram							
Passengers	10^3	390	429	362	387	25	6,9%
Passengers km	10^3	722	883	582	605	22	3,8%
Kilometres operated on average, per passenger	km	1,85	2,06	1,61	1,56	-0,05	-2,9%
Total STCP							
Passengers	10^3	95.906	95.407	85.062	78.675	-6.387	-7,5%
Passengers km	10^3	332.998	330.993	307.643	284.882	-22.761	-7,4%
Kilometres operated on average, per passenger	km	3,47	3,47	3,62	3,62	0,00	0,1%
Supply							
Bus							
Vehicles km	10^3	25.724	24.507	22.711	22.539	-172	-0,8%
Places km	10^3	2.296.833	2.225.859	2.075.308	2.049.536	-25.772	-1,2%
Hours	10^3	1.613	1.555	1.452	1.430	-22	-1,5%
Average commercial speed	km/h	15,9	15,8	15,6	15,8	0,12	0,8%
Occupancy rate	%	14,5%	14,8%	14,8%	13,9%	-0,9 pp	-6,3%
Tram							
Vehicles km	10^3	108	110	115	116	0,4	0,3%
Places km	10^3	4.538	4.602	4.846	4.863	16	0,3%
Hours	10^3	14	15	16	16	0	1,9%
Average commercial speed	km/h	7,6	7,1	7,4	7,3	-0,11	-1,5%
Occupancy rate	%	15,9%	19,2%	12,0%	12,4%	0,4 pp	3,5%
Total STCP							
Vehicles km	10^3	25.832	24.617	22.826	22.655	-171	-0,8%
Places km	10^3	2.301.371	2.230.460	2.080.154	2.054.399	-25.755	-1,2%
Hours	10^3	1.627	1.570	1.468	1.446	-22	-1,5%
Average commercial speed	km/h	15,9	15,7	15,6	15,7	0,11	0,7%
Occupancy rate	%	14,5%	14,8%	14,8%	13,9%	-0,9 pp	-6,2%
Operational Performance [1]							
Income [2]	10^3 €	42.672	44.162	45.010	45.166	156	0,3%
Income / Passenger	cent. €	44,5	46,3	52,9	57,4	4,5	8,5%
Income / Passenger km	cent. €	12,8	13,3	14,6	15,9	1,2	8,4%
Income / Place km	cent. €	1,85	1,98	2,16	2,20	0,03	1,6%
Operating Expenditure [3]	10^3 €	64.981	59.181	55.058	54.581	-476	-0,9%
Operating Costs / Passenger	cent. €	67,8	62,0	64,7	69,4	4,6	7,2%
Operating Costs / Passenger km	cent. €	19,5	17,9	17,9	19,2	1,3	7,1%
Operating Costs / Place km	cent. €	2,82	2,65	2,65	2,66	0,01	0,4%
Cover Ratio	%	66%	75%	82%	83%	1%	1%

[1] Data adjusted to strip off effects of route exploitation contracts (subcontracted services) non-existent on 31.12.2013.

[2] Fare pricing income includes Andante fare pricing compensation, values without TVA.

[3] Operating expenditure without depreciations, provisions, impairments, variations of the fair value, financial component of lease rents and severance payments arising from employment contract terminations.

2.3.2 Overall Passenger Demand and Fare Income

Demand

STCP carried 78,7 million passengers in 2013, 7,5% less (-6,4 million) than the year before.

Taking into account demand resulting from residual subcontracted services in 2013 ran by private opera-

tors, non-existent at the end of the year, in the amount of 1,7 million passengers, STCP overall passenger demand hit 80,4 million passengers in 2013.

Information on demand whose evolution is detailed below, excludes subcontracted services, unless where specifically mentioned:

Demand	unit	2010	2011	2012	2013	13/12	
						Abs	%
Total STCP							
Passengers	10^3	95.906	95.407	85.062	78.675	-6.387	-7,5%
Passengers km	10^3	332.998	330.993	307.643	284.882	-22.761	-7,4%
Average Km per Passenger	km	3,47	3,47	3,62	3,62	0,00	0,1%
Bus Subcontracted Services							
Passengers	10^3	13.315	12.982	8.699	1.746	-6.953	-80%
Passengers km	10^3	55.669	53.616	40.769	9.198	-31.571	-77%
Average Km per Passenger	km	4,18	4,13	4,69	5,27	0,58	12%
Total STCP including subcontracted services							
Passengers	10^3	109.220	108.389	93.761	80.421	-13.340	-14%
Passengers km	10^3	388.666	384.609	348.413	294.081	-54.332	-16%
Average Km per Passenger	km	3,56	3,55	3,72	3,66	-0,06	-1,6%

Main Reasons for the annual decrease of 7,5% in demand:

- > As expressly set forth in Normative Order n° 1/2012, of 27 January, single mode season tickets and other tickets in place would be discontinued with the exception of tickets sold on board, as from 1 January 2013. However, Normative Order n° 24-B/2012, of 19 December, suspended that measure regarding STCP's overall network season tickets. Global integration into the Andante intermodal network gave rise to a larger transfer of passengers between the different modes of transport thus, contributing to an overall increase in mobility conditions which negatively affected STCP's demand;
- > It should be noted that in the course of 2013 a supply rationalisation policy was pursued with additional timetables and frequencies adjustments targeting cost-effectiveness of available resources;
- > It should also be pointed out the very difficult economic context in the Porto Metropolitan Area, recording a high

unemployment rate that besides causing a reduction in journeys, it may also give rise to a higher level of fare evasion.

The tram representing a mode of transport which has become a leisure-oriented tourist service, evidenced a 6,9% growth (+25 mil passengers), corresponding to 0,5% of the total demand in 2013.

Passengers by Fare Pricing and Tickets

As laid down by Normative Order nº 24-B/2012, as from 1 January the new fare pricing came into effect reflecting a 0,9% weighted average increase.

The evolution of passengers by type of fare pricing is detailed as follows:

Andante intermodal fare pricing was used by 82% of passengers throughout the year, corresponding to nearly 65 million validations, 51% more than the previous year.

Season tickets were used by about 79% of passengers having however, recorded a 8,1% reduction, -5,5 million passengers towards 2012.

The Agente Único ticket sold on board evidenced a 3,8% decline, 113 thousand tickets less.

Passengers	unit	2010	2011	2012	2013	13/12	
						Abs	%
Fare Pricing							
Intermodal Fare Pricing	10^3	35.865	39.707	42.843	64.873	22.030	51%
Single Mode Fare Pricing	10^3	60.040	55.700	42.219	13.802	-28.417	-67%
% Intermodal Fare Pricing	%	37%	42%	50%	82%	32 p.p	64%
Tickets sold on board							
Season Tickets	10^3	77.096	77.352	67.756	62.280	-5.476	-8,1%
Occasional Tickets [1]	10^3	14.561	14.239	14.377	13.579	-798	-5,6%
Tickets sold on board	10^3	4.249	3.817	2.929	2.817	-113	-3,8%
Passengers	10^3	95.906	95.407	85.062	78.675	-6.387	-7,5%

[1] It includes daily and special.

Revenue Resulting from Transport Service

Revenue in 2013 reached 45,2 million euros, recording a rise of 156 thousand euros, + 0,3%, in relation to 2012.

Including revenue from subcontracted services, in the amount of nearly 1 M€, i.e. residual in 2013, STCP's revenue hit 46,2 million euros.

Attention should be drawn to the fact that at the end of the year there were no subcontracted services.

Information on revenue whose evolution is detailed below, unless where specifically mentioned, excludes subcontracted services.

Revenue [1]	unid	2010	2011	2012	2013	13/12	
						Abs	%
Total STCP	10 ³ €	42.672	44.162	45.010	45.166	156	0,3%
Bus Subcontracted Services	10 ³ €	6.494	6.455	4.882	1.036	-3.846	-79%
Total STCP including subcontracted services	10 ³ €	49.166	50.617	49.892	46.202	-3.690	-7,4%

[1] Without TVA. It includes fare pricing compensation.

Despite a demand variation of -7,5% in 2013, revenue demonstrated a slight growth of 0,3%, due to the increase in fare pricing occurred in early 2013, but mainly owing to the increasing use of intermodal fare pricing by customers to the detriment of single mode fare pricing.

Revenue per Fare Pricing and by type of Tickets

						13/12	
Revenue [1]	unit	2010	2011	2012	2013	Abs	%
Tarifário							
Intermodal Fare Pricing	10^3 €	15.775	18.380	21.493	35.382	13.888	65%
Single Mode Fare Pricing	10^3 €	26.897	25.782	23.517	9.785	-13.733	-58%
% Intermodal Fare Pricing	10^3 €	37%	42%	48%	78%	31 p.p	64%
Tickets							
Season Tickets	10^3 €	26.133	27.336	27.699	28.386	687	2,5%
Occasional Tickets [2]	10^3 €	10.597	11.094	12.351	11.998	-353	-2,9%
Tickets Sold on Board	10^3 €	5.942	5.733	4.961	4.783	-178	-3,6%
Revenue [1]		42.672	44.162	45.010	45.166	156	0,3%

[1] Without TVA, including Andante social fare pricing compensations.

[2] Daily and special tickets are included.

Decline in demand for season tickets demonstrated a variation of less 8,1%, nevertheless with reference to revenue, a 2,5% increase in this kind of tickets has been recorded (about 687 thousand euros). Season tickets corresponded to nearly 63% of the total revenue, 11% represented tickets sold on board and the remaining 26% referred to occasional tickets. Intermodal revenue reached 78% of the totality of the year, about 31 p.p. more than in 2012.

The tram, operating a tourist service recorded a 27% rise in revenue thus, representing 1,3% of the total revenue in 2013.

Sales Network

At the end of 2013 there were 783 points of sale where passengers could add tickets to their travel card.

Ticket Inspection

In 2013 journey inspection rate was 3,97% thus, recording a 0,12 percentage points rise in relation to 2012. In 2013 passenger inspection rate reached 1,56%, 0,26 percentage points more than in 2012. Fare evasion rate dropped from 0,61% in 2012 to 0,49% in 2013 and the total number of infringement notices was 6.139, 17% less than the year before.

Fare Evasion Awareness Campaign

In 2013 a series of educational and preventive initiatives were taken forward by STCP aiming at tackling fare evasion, by promoting information on fare zones and pricing inside buses and also by undertaking an extensive campaign ("Fiscalização Anunciada") focusing on ticket inspection announced in advance. This campaign was conducted throughout the year consisting of either announcements provided by on board electronic displays, for wide ticket inspection initiatives planned to take place on several lines and on different dates or announcements which were given media coverage.

Besides inspection initiatives planned regularly scheduled inspections were undertaken without giving prior notice.



Serve cerca de 900 mil habitantes de 51 freguesias e seis concelhos: Matosinhos, Maia, Valongo, Gondomar, Vila Nova de Gaia e Porto



Juntos movemos o Porto.



2.3.3 Supply

STCP's supply hit 22,7 million vehicles km in 2013, demonstrating a reduction of 171 thousand vehicles km towards 2012, i.e. 0,8% less.

Taking into consideration residual subcontracted services

in 2013 in the amount of 802 thousand vehicles km, STCP's overall supply recorded 23,5 million vehicles km. Information on supply whose evolution is shown on the following table, excludes subcontracted services, except where otherwise expressly indicated:

Supply	unit	2010	2011	2012	2013	13/12	
						Abs	%
Total STCP							
Vehicles km	10^3	25.832	24.617	22.826	22.655	-171	-0,8%
Places km	10^3	2.301.371	2.230.460	2.080.154	2.054.399	-25.755	-1,2%
Hours	10^3	1.627	1.570	1.468	1.446	-22	-1,5%
Average Ridership	lugares	89	91	91	91	0	-0,5%
Average commercial speed	km/h	15,9	15,7	15,6	15,7	0,1	0,7%
Occupancy Rate	%	14,5%	14,8%	14,8%	13,9%	-0,9 pp	-6,2%
Bus subcontracted services							
Vehicles km	10^3	4.016	4.046	2.905	802	-2.103	-72%
Places km	10^3	305.872	308.409	225.614	64.971	-160.643	-71%
Average Ridership	lugares	76	76	78	81	3	4,3%
Occupancy Rate	%	18,2%	17,4%	18,1%	14,2%	-3,9 pp	-22%
Total STCP com produção contratada							
Vehicles km	10^3	29.848	28.663	25.731	23.457	-2.274	-8,8%
Places km	10^3	2.607.242	2.538.869	2.305.768	2.119.370	-186.398	-8,1%
Average Ridership	lugares	87	89	90	90	1	0,8%
Occupancy Rate	%	14,9%	15,1%	15,1%	13,9%	-1,2 pp	-8,2%

Variation in production of -0,8% is due to timetables and frequencies adjustments occurred over the year of 2013 targeting cost-effectiveness of resources;

As to the total production, including in-house production and subcontracted services as well, particular note should be made to the fact that in 2012 STCP met objectives set out in the Strategic Plan for Transport corresponding to 25,7 million vehicles Km resulting from continuous supply restructuring over the years, the production in 2010 having recorded 29,8 million vehicles km.

In 2013 average commercial speed was 15,7 Km/h, a slight improvement having been recorded thus, fighting downward trend in recent years.

Places km evidenced a reduction by 1,2% due to a 0,8% decrease in supply and greater rationalisation of the use of the fleet in line with demand, i.e. a reduction in the allocation of high-capacity vehicles at particular times.

Occupancy rate corresponded to 13,9% in 2013, thus, showing a 0,9 p.p.drop compared to the previous year, as a result of the decline by 7,4% in the number of passengers km and 1,2% of places Km.

In 2013, the tram represented 0,5% of the total supply.

Journey compliance rate	2010	2011	2012	2013
Bus				
Planned Journeys [1]	2.310.219	2.204.480	2.075.274	2.083.561
Lost Journeys [2]	26.997	16.169	16.937	50.842
Journey Compliance Rate	98,8%	99,3%	99,2%	97,6%
Tram [3]				
Planned Journeys	44.165	41.785	45.018	42.028
Lost Journeys	1.392	1.197	1.395	1.477
Journey Compliance Rate	96,7%	97,1%	96,9%	96,5%

[1] Source: DOP (SAEI)

[2] Source: DOP (SICO), excluding days of strike and/or plenary meetings

[3] Source: UCE

Compliance rate of journeys of in-house production

Compliance rate of journeys made by bus was 97,6%, recording a 1,6 p.p. drop (-33.905 journeys) in comparison with 2012. Compliance rate regarding tram journeys was 96,5%, 0,4 p.p. lower than the value recorded in 2012. (-82 journeys).

Lost journeys were due mainly to traffic congestion. As for travels made by tram, lost journeys were due to road obstructions corresponding to 28% of the total lost journeys.

Road Accident Rate

In 2013 a rate of 36 accidents per million Kilometres travelled was recorded, while in 2012 this rate was 37 thus, representing a 2% decline, the overall number of accidents having hit 813. It also should be noted that in 2013 this rate reached the lowest value ever recorded.

The following factors contributed to these results: continuous bus driver training courses, notably defensive driving and the fleet offering safer driving conditions.

Limitations Compromising the Service Delivered by STCP

The quality of the public service provided by STCP is daily compromised by factors that prevent the company from operating under normal conditions:

_STCP's Routes on Diversion

STCP's routes on diversion result from road works and closures and also from many events taking place within the districts where STCP runs its network.

In 2013 the number of detours in the network was 266. Despite detours having increased 6,4%, their average duration fell about 25%, owing to the fact that 36% of detours is the result of the average duration of the events corresponding to one day. In 2013 average duration of detours represented 12 days having hit the lowest number in recent years.

Evolution of STCP's routes on diversion:

Detour/Diversion Indicators	2010	2011	2012	2013	13/12
Number of Detours	278	291	250	266	6,4%
Due to Local Road Works	187	204	170	169	-0,6%
Due to Street Events	91	87	80	97	21,3%
Average Duration of Detours (days)	21	19	16	12	-25,5%



running on natural gas

STCP

Parking and Free Road Operation

Illegal parking affects daily vehicle circulation.

STCP performed a free road operation in partnership with Porto Municipal Police, further to a protocol signed with Por-

to City Hall aiming at taking strategic corrective measures in order to make traffic flow easier and more smoothly, keeping the area unobstructed by cutting disruption thus, contributing to a more efficient and sustainable public transport.

Free Road Operation – Evolution in the last four years:

Free Road Operation	2010	2011	2012	2013	13/12
Corrective Measures					
Penalty charges	2.527	5.546	3.309	4.433	34,0%
Vehicle Clamping			210	286	36,2%
Tow-away Removals	83	225	201	284	41,3%
Total	2.610	5.771	3.720	5.003	34,5%

Bus Lanes

BUS lanes stretch only represents 5% of the road network full coverage run by STCP.

Bus lanes run mostly across the city of Porto covering a length of about 23,3 km corresponding to a shorter distance of 700 metres towards 2012, due to a change occurred regarding traffic profile in AEP Avenue in both directions, the BUS lane running there having been removed.



508 BORRISTA

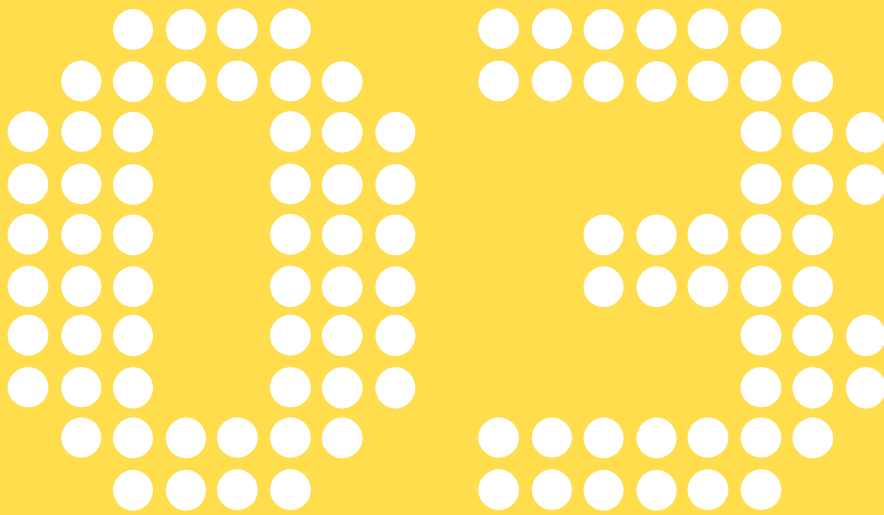
running

TP

3036

MAN

04-03-PX



Report from the Sustainable Development Point of View

It is STCP's usual practice to include Sustainability issues in its Annual Report and Accounts. This approach has significant advantages by highlighting sustainability issues in the context of entrepreneurial activity reporting thus, giving particular emphasis on both social and environmental matters. In September of 2010 STCP qualified as Full UITP Charter Signatory on Sustainable Development (*Union Internationale des Transports Publics*), a voluntary commitment to monitoring and reporting social, economic and environmental performance.

STCP has committed itself to implementing sustainable development principles within its business activities and developing a policy focused on the best practices in the public transport sector as well as regularly reporting on the implemented practices.

These commitments are referred to in the Corporate Mission and Quality Policy, Environment and Occupational Health and Security (item 4.1).

3.1 INTEGRATED MANAGEMENT SYSTEM –QUALITY, ENVIRONMENT AND OCCUPATIONAL HEALTH AND SECURITY

STCP has been simultaneously certified on the Integrated Management System Standards in the following areas for five years:

- > NP EN ISO 9001:2008 – Quality.
- > NP EN ISO 14001:2012 – Environment.
- > OHSAS 18001:2007 / NP 4397:2008 – Security and Health at Work.

All STCP's premises and facilities are covered by these certifications except those related to the Tram Museum.

In the course of 140 years of business activity, STCP has always taken full responsibility towards the Community for the discharge of public service obligations targeting a safe and environmentally sustainable public passenger transport as well as providing for the safety of its staff. These certifications demonstrate STCP's commitment to complying with best practices and sharing them among transport providers holding a dominant position in the transport sector.

Gestão da Qualidade

In 2013 certifications were maintained by the certification body and their application was consolidated.



Internal Audit and Annual Follow-up Audits conducted by APCER Audit Team

In September internal audit was performed on STCP's Integrated Management System Standards in the areas of Quality, Environment and Security and Health at Work as expected with employee involvement, activities and premises including service providers carrying out regular activity inside the company premises. The Audit Team was exclusively composed of members of STCP staff.

In October a 2nd Follow up Audit regarding the 2nd triennium Certifications on the Integrated Management System Standards was carried out in the areas of Quality, Environment and Security and Health at Work. This audit also covered STCP's bus operation.

Externally, STCP has actively and permanently contributed for a decade, to the preparation of specification standards of public passenger transport by participating in the Portuguese Technical Committee for Standardisation – CT 148 (Transport, Logistics and Services) which has been chairing for the fifth year in a row.

CT 148 as technical standardisation body is responsible for the preparation of normative documents as well as normative advice and opinion at national level and working closely with the european standardisation body. This technical standardisation entity operates in the passenger transport domain, as well as goods, logistics and parking lots. This Committee is represented by the major stakeholders in these areas at national level, transport operators, logistics operators, consumer representatives, certification bodies, professional associations and transport-related companies.

Environmental Management System

Environmental Management-related issues are dealt with in item 3.4.

Security and Health at Work Management System

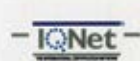
Security and health at work management-related matters are referred to in item 3.5.2.

NÚMERO 2008/CEP.3317
NumberO Sistema de Gestão da Qualidade de
The Quality Management System of

STCP, S.A. – SOCIEDADE DE TRANSPORTES COLECTIVOS DO PORTO, S.A.

Av. Fernão de Magalhães, 1862, 13º
4350-158 PORTO
PORTUGALe dos locais apresentados em anexo
and the sites specified in annexImplementado no transporte urbano de passageiros na área metropolitana do Porto, cumpre os requisitos da norma
implemented in the urban passengers transport in the metropolitan area of Oporto, meets the requirements of the standard

NP EN ISO 9001:2008



José Leitão
CEO

Emitido em 2013-08-01
Date of issue
Válido até 2014-12-25
Valid untilAPCER – Associação Portuguesa de Certificação
Edifício de Serviços da Esporosa, 2º Andar, Av. Dr. António Macedo
4450-617 Lagoa da Palmeira
www.apcer.ptNÚMERO 2008/AMB.0405
NumberO Sistema de Gestão Ambiental da
The Environmental Management System of

STCP, S.A. – SOCIEDADE DE TRANSPORTES COLECTIVOS DO PORTO, S.A.

Av. Fernão de Magalhães, 1862, 13º
4350-158 PORTO
PORTUGALe dos locais apresentados em anexo
and the sites specified in annexImplementado no transporte urbano de passageiros na área metropolitana do Porto, cumpre os requisitos da norma
implemented in the urban passengers transport in the metropolitan area of Oporto, meets the requirements of the standard

NP EN ISO 14001:2012



José Leitão
CEO

Emitido em 2013-08-01
Date of issue
Válido até 2014-12-25
Valid untilAPCER – Associação Portuguesa de Certificação
Edifício de Serviços da Esporosa, 2º Andar, Av. Dr. António Macedo
4450-617 Lagoa da Palmeira
www.apcer.ptNÚMERO 2008/SST.8203
NumberAPCER – Associação Portuguesa de Certificação certifica que o Sistema de Gestão da Segurança e Saúde do Trabalho da
APCER – Associação Portuguesa de Certificação certifies that the Occupational Health and Safety Management System of

STCP, S.A. – SOCIEDADE DE TRANSPORTES COLECTIVOS DO PORTO, S.A.

Av. Fernão de Magalhães, 1862, 13º
4350-158 PORTO
PORTUGALe locais de atividade apresentados em anexo a este certificado
and the activities presented in the annex to this certificateImplementado no transporte urbano de passageiros na área metropolitana do Porto, cumpre os requisitos da norma
implemented in the urban passengers transport in the metropolitan area of Oporto, meets the requirements of the standard

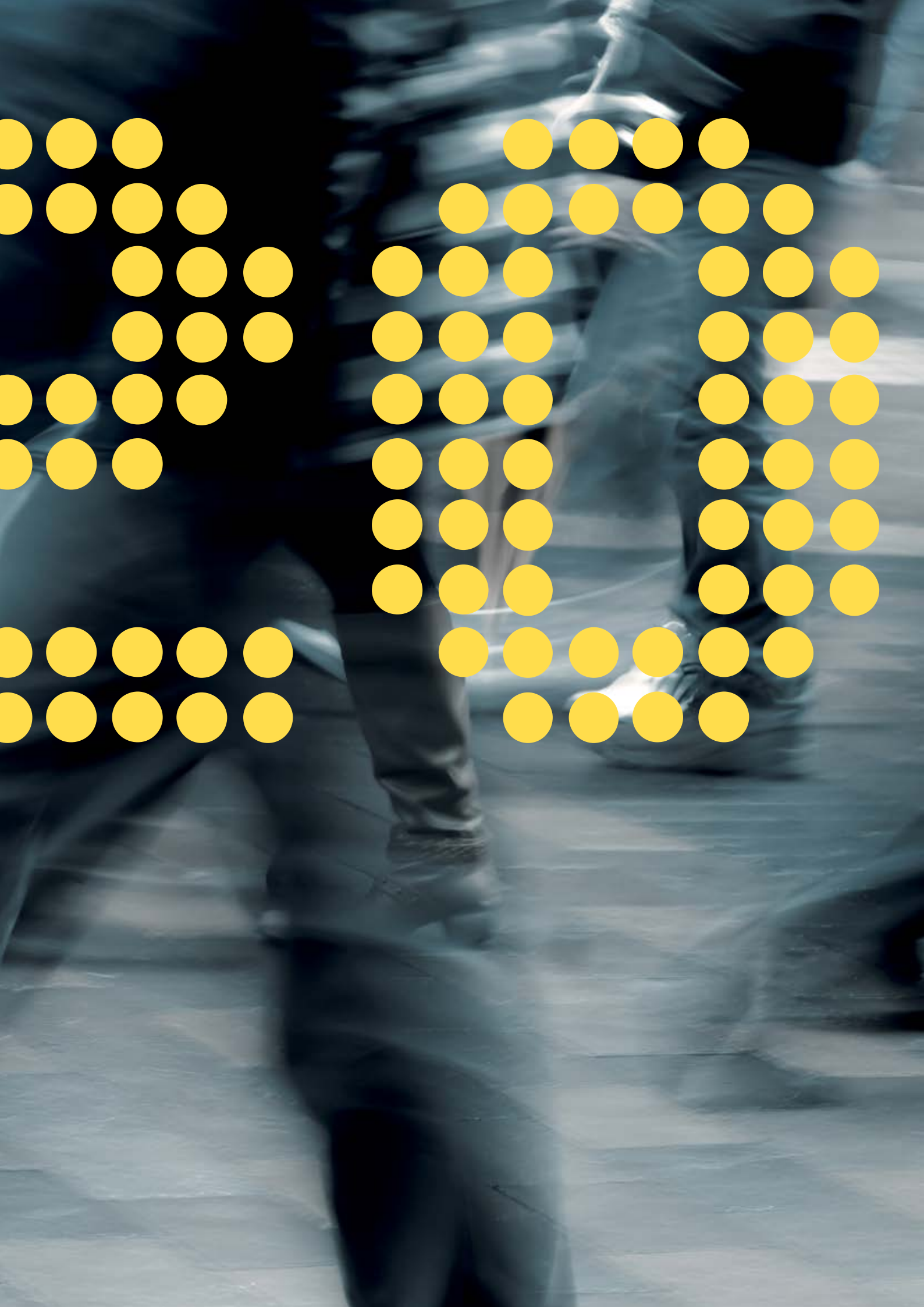
OHSAS 18001:2007 / NP 4397:2008

Occupational Health and Safety Management Systems – Requirements / Sistemas de Gestão da Segurança e Saúde do Trabalho – Requisitos

Data de emissão 2011-12-26
Date of issueVálido até 2014-12-25
Valid until

José Leitão
CEO

Qualquer esclarecimento adicional sobre este certificado pode obter-se consultando a APCER
Any additional clarification concerning this certificate may be obtained consulting APCERAPCER – Associação Portuguesa de Certificação
Edifício de Serviços da Esporosa, 2º Andar, Av. Dr. António Macedo
4450-617 Lagoa da Palmeira
www.apcer.pt







STCP NETWORK

3.2 RESPONSIBILITY TOWARDS CUSTOMERS

STCP's responsibility towards customers is one of the main commitments of the Quality Policy, Environment and Security and Health at Work, which implies:

- > Follow demand evolution and ensure suitable supply;
- > Improve compliance with scheduled services despite external constraints;
- > Fulfil the duty of timely information on network, timetables and fare pricing;
- > Accept suggestions and complaints and carry out analysis to them as well as pursue a number of feasible

corrective measures;

- > Provide a high and consistent quality of services, characterised by safety, reliability and kindness following an adequate policy based on training courses provided for the staff;
- > Give a quick and attentive response to meet impaired passengers' needs by expanding their mobility conditions and access to information.

In 2013, STCP provided a comprehensive transport network to the public made up of 72 lines of public service, 69 bus lines and 3 tram lines and delivered a daily 24 hour service operating 365 days a year.

3.2.1 Social Service

In spite of in-house production rationalisation being one of the major company's matters of concern, STCP provides a

most relevant social service by ensuring mobility to zones at times with no commercial interest.

Evolution estimate of the social service cost:

STCP - Social Service	2010	2011	2012	2013
KM Social Service (10³) [1]	10.058	9.507	8.315	7.791
% Km Social Service	33%	33%	32%	33%
Social Tickets Sold (10³) [2]	459	418	301	102
% Fare Pricing Deficit	12%	11%	3,7%	0,03%
Estimate of Social Service Costs (10³)				
Cost km Social Service (m€)	20.388	18.637	16.886	15.920
Fare Pricing Deficit (m€) [3]	5.904	5.645	1.850	13
Social Service Costs (m€)	26.292	24.281	18.736	15.933

[1] taking into account late night network, night-time service, service running on Saturdays, Sundays and holidays as well as Z lines

[2] considering quantities of single mode season tickets: Seniors, Retirees and Pensioners, Students and Young People.

[3] taking into consideration difference in price between normal season tickets and single mode season tickets designed to Seniors, Retirees and Pensioners, Students, Young People after reduction of the value received from PAII - Social Assistance Programme for Seniors under the Protocol signed with Financial Management Institute of the Social Security

3.2.2 Customer Satisfaction

Evaluation of Customer Satisfaction

In 2013 Customer Satisfaction Survey was not undertaken, however, it was decided this survey to be carried out in 2014. Evaluation of Customer Satisfaction was thus, performed based on Complaints and Suggestions Indicators.

Customers' Complaints

Last year 2.429 complaints were recorded (202 on average/month) 97% more than the year before. This variation is mainly due to complaints regarding non compliance with timetables corresponding to nearly 70% of the total complaints.

Most of the complaints, 87% were made through helpline – STCP Blue Line, 5% represented formal written complaints recorded in the Complaints Book and the remaining ones were made at the Sales Points or at the Post Office - CTT.

3.2.3 Communication Strategy and Customer Information

Regular Contact with the Customer

Ongoing improvement of the transport service provided represents STCP's major matter of concern, as well as communication and customers' overall opinion measurement

Call-Center

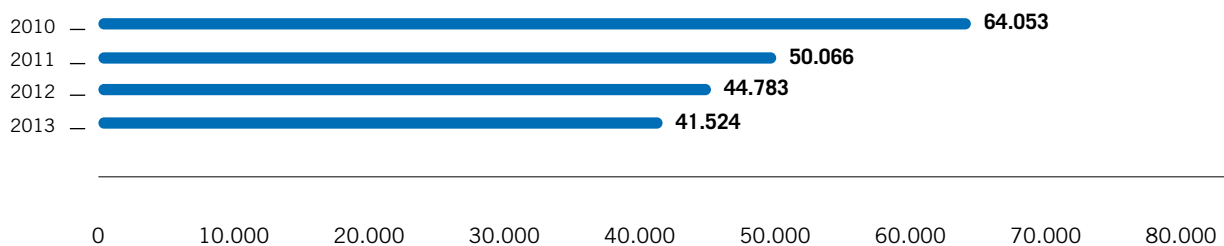
STCP helpline – Blue Line goes on playing a key role by clarifying customers' questions and doubts having answered in 2013 to about 50 thousand information requests corresponding to a very similar figure in 2012, mostly by phone or e-mail.

Lost and Found Property

In 2013 the number of lost and found items was 3.762, -5% in comparison with 2012. Out of these items only 1.208 (32%) contained some valid identification 994 having been directly returned to customers. The remainder has been sent on to the Public Police Services.

SMSBUS

MSBUS messages totaled nearly 500 thousand in 2013 corresponding to a reduction by 8% towards 2012, following the decline occurred in demand. "Move-me" application available for public consultation providing real time timetable updates for *Android* and *Iphone*, has contributed to this drop as well as SMSBUS *widget* feature for computer both representing an alternative to SMSBUS, free of charge for customers.

SMSBUS - REQUEST - MONTHLY AVERAGE**Dynamic Information displayed on Screens - GOBUS**

STCP keeps 7 screens in operation installed at the 4 main light rail stations: Campanhã, Trindade, S. Bento and Casa da Música. These screens display real time timetable updates concerning buses running in close proximity to each station. Information delivered is the same as the one shown on Public Information Displays and provided by SMS short message service, further showing locations for each stop and respective codes targeting a more detailed guidance. Institutional and commercial messages are displayed in the footer, as a supplement to information digital media network.

Electronic Displays inside buses

As from June electronic *displays* started delivering information on Andante zones during the journey by bus in order to complement “next stop” announcement.

This innovation resulted from a project developed in-house enabling customers to have a better perception of the geographical area validity of their tickets. The start and end zones are announced with an audible warning.

This was another measure taken aiming at clarifying customers about the correct use of Andante tickets. In addition, warning stickers informing amounts of penalty charges were placed on buses.

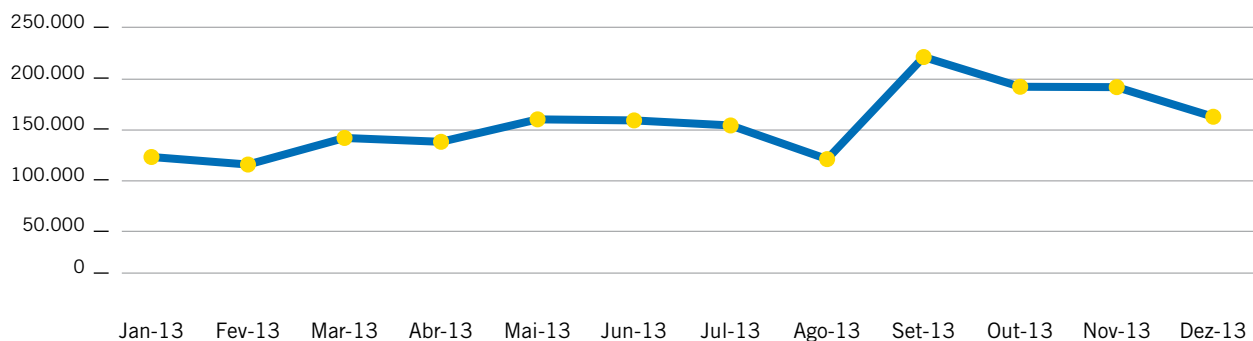
Social Networks – Facebook

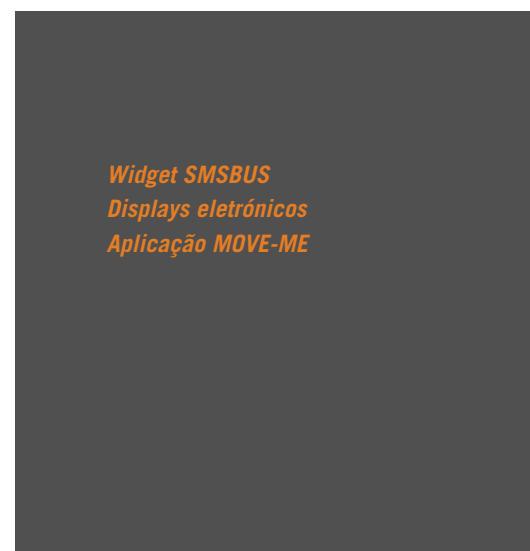
At the end of 2013 STCP *Facebook* page completed one year after it has been launched. This page is daily monitored offering a quick and direct explanation to STCP customers and followers. Besides, it allows to further stimulate an emotional connection with the company by sharing information on STCP or about the towns where it operates and find pastimes.

Facebook is part of the company's digital communication channels and is used in an integrated manner with the *website* and bus electronic *displays*. STCP also shares on other social media like *Twitter*, *Vimeo*, *Youtube*, *Slideshare* and *Flickr*, the communication with customers though to a lesser extent.

STCP WebSite

In 2013 the first year was completed after the launch of the new website, the use of which has been widely disclosed, as demonstrated by website traffic throughout the year totaling 1,9 million visitors corresponding to a monthly average of nearly 156 thousand consultations, over 5.200 a day.

MONTHLY WEBSITE TRAFFIC IN 2013



STCP website improvements

Website Support

In order to help customers and *site* visitors to navigate STCP transport network a support section was launched aimed at displaying videos giving examples namely about “View live bus arrival times for bus stops of your choice”; “Search for real time information on when next buses are due at local stops”.

SMSBUS Widget

“Widget SMSBUS” became available on *website* aimed at keeping passengers informed about real time bus timetable service corresponding to a similar consultation to SMSBUS service however, on computer. This new feature already existing on the *website*, through consultation on pages related to bus stops, gave rise to the creation of a shortcut icon onto *desktop* screen and can be permanently open on the computer.

MOVE-ME application

STCP invested in MOVE-ME application affording access via internet to a wide range of public service information on timetables and routes in mobile systems. As regards STCP, results from using this tool were the following in 2013:

Number of requests for bus arrival times at local bus stops - only STCP

Android	Iphone	Total
485.511	186.463	671.974

Number of requests for route calculations as regards STCP

Website	Android	iPhone	Total
11.436	14.352	7.010	32.798

This application offers real time intermodal traffic information on public transport providers in the city of Porto, STCP, Metro do Porto and CP Porto and also accurate data on the planned supply of 13 private operators associate members of ANTROP, delivering a wide range of information services including STCP SMSBUS enabling bus tracking as well as route calculations and real time or scheduled timetables. MOVE-ME application results from a project developed by OPT, Optimização e Planeamento de Transportes, S.A..

Transport Network Maps

In December updated network maps for each municipality were displayed at local bus stops. A new version of the network leaflet maps was produced covering Light Rail and Porto CP Railway network, targeting respective sale at both Andante and STCP sales points as well as selected locations.

3.2.4 A Range of New Products

Projeto MOBIPAG

STCP carried out tests on MOBIPAG application enabling the purchase and ticket validation on mobile phone by using *Wireless* and GPS features, in order to start running and communicating with the server. This application was developed for *Android* mobile phones and trialed in a real environment on Porto public transport by 26 users over 16 days. During the test, the development team kept in touch with customers through a group created on *Facebook* for that purpose collecting relevant real time information on the application and the concept of mobile payment.

Broadly speaking, users considered this payment solution simple and practical and liked the concept of buying and validating tickets on the mobile phone. The application was considered to be very intuitive and easy to use. The opportunity of buying tickets at any time and at any place was highly appreciated. The access to additional information such as ticket balance, the remaining time for a particular journey, the announcement warning the last stop up to which passengers may travel were also very important aspects highlighted by users.

MOBIPAG project – a National Initiative for Mobile Payments – was coordinated by CEDT (Centre of Excellence for Dematerialization of Transactions) and developed by a Consortium of partners including FEUP. OPT has been selected for the development of the application-prototype as well as respective testing to STCP customers.

Cities of the Future Project

STCP buses were made available for the installation of wireless communication systems under “Cities of the Future” project – which was taken forward by the Competence Centre for Cities of the Future, of the Porto University covered by the European Commission Funding.

STCP involvement in this project has made it possible to carry out field experiments that help enhancing several urban services.

The “Cities of the Future” project is aimed to change the city of Porto into an urban scale living laboratory where researchers, established companies and startups can develop and test technologies, products and services for intelligent cities, a particular emphasis being placed on the intelligent transport systems and sustainable mobility. Other cities also involved in this project are London, Stockholm and Paris.

INESC Porto, Vodafone, Veniam, IBM, Porto Digital, are project partners among others.

3.3 RESPONSIBILITY TOWARDS COMMUNITY

Among STCP’s reassured commitments to the Quality Policy, Environment and Security and Health at Work, the following should be pointed out:

- > Promote ongoing communication and cooperation with external entities notably, central and local institutions, trade associations, local governance authorities and the general public.
- > Stand out by acting as strong and effective deterrent to private car use through the promotion of urban public passenger transport service of high quality, safe, modern and eco-friendly.

3.3.1 The Fleet

Fleet Characteristics

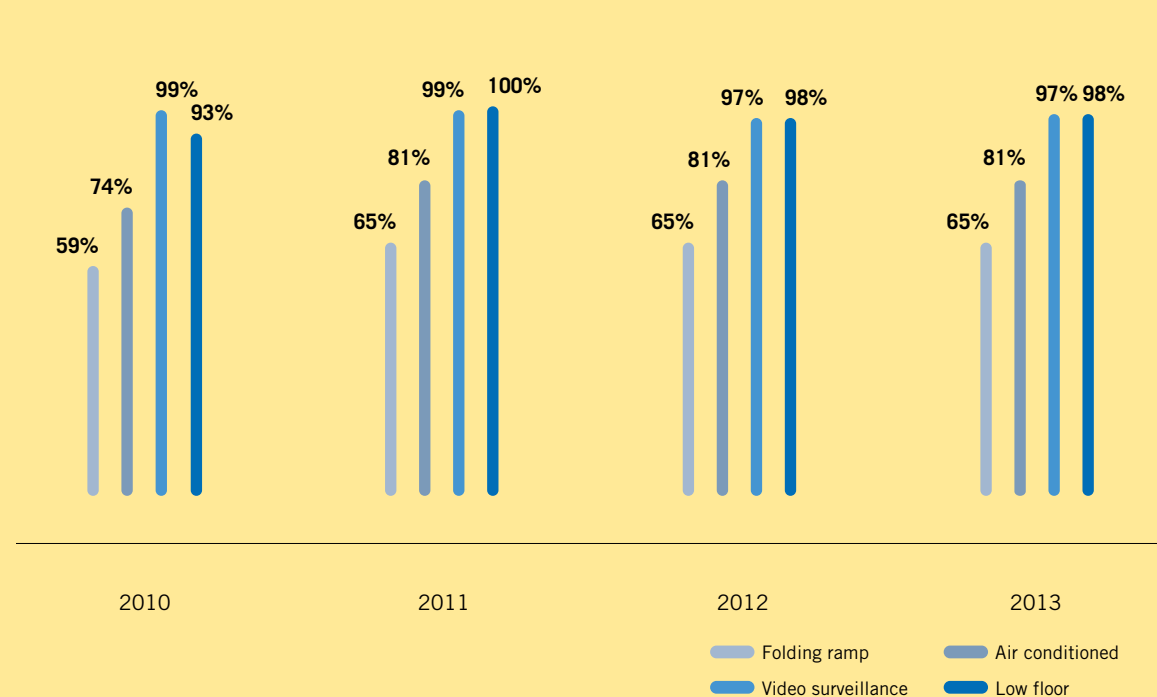
At the end of 2013 STCP’s fleet comprised 474 buses, with an average life cycle of 11 years and 6 trams

The fleet evolution runs as follows:

Bus Fleet Composition	2010	2011	2012	2013	Peso 2013
Diesel Vehicles	234	213	221	220	46%
Standard	209	173	173	172	36%
Articulated	20	20	20	20	4%
Mini-buses	5	5	13	13	3%
Double-deckers	0	15	15	15	3%
Vehicles running on Natural Gas	255	255	254	254	54%
Standard	225	225	225	225	47%
Articulated	30	30	29	29	6%
Bus Fleet	489	468	475	474	100%
Tram Fleet	5	5	6	6	
Total da Frota	494	473	481	480	

In compliance with the provisions laid down by Ordinance n.º207-A/2013 approving Rules of Use, Identification and Installation for liquefied petroleum gas (LPG) and natural gas either compressed or liquefied in vehicles, STCP buses started displaying an identification signal imposed by the above referred legislation, from July onwards.

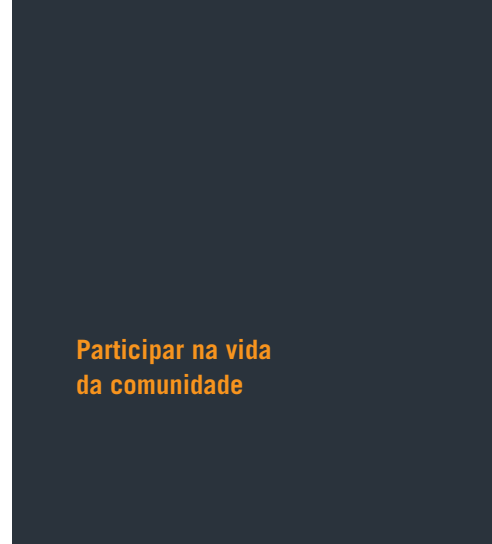
Attention should be drawn to the fact that 26% of the fleet vehicles whose characteristics are shown in the table below, is integrated in EURO V and EEV standards. Immobilisation rate of the bus fleet was 10,9%, +1,9 p.p. towards 2012, 11,7 breakdowns per 10.000 km travelled having been recorded, 4% more than the year previous year.





CRESCER com o
TRANSPORTE PÚBLICO





3.3.2 Participation in the local Community's Life

Cooperation afforded to the student community

Queima das Fitas 2013 academic festivities - special transport service delivery

As it is usual practice, student community of Porto Metropolitan Area was afforded active cooperation. The academic community is composed of over 70.000 students and is responsible for the organisation of Queima das Fitas Festivities which is considered to be the largest annual event in the city of Porto. STCP ran a special transport service from 5 to 12 May which provided to students more than 90 thousand journeys thus, having proved to be a mobility safe, simple and environmentally friendly solution.

Disclosure of events and shows

Partnerships were set up with the Academic Choir of the University of Porto as well as with music student groups of the same University for disclosure of events and shows purposes in return of their musical performance on STCP's buses including pastimes on Facebook.

Information intended for students

STCP took forward once again the initiative concerning the Freshers' Kit. This year it was offered to about 12 thousand new students of the University of Porto, of Porto Polytechnic

Institute and private Higher Educational Establishments, containing information on public transport.

Junior University project

In 2013 STCP ensured once again cooperation regarding the provision of transport service which included travels for young pupils attending Junior University.

Academic work and projects

Throughout the year STCP gave attentive responses to several requests by supplying with data, images, and authorising to capture images under the scope of academic work and projects.

Transport Service provided for major events

Optimus Primavera Sound 2013

In order to better meet the needs of the Optimus Primavera Sound Festival organisation, STCP ran a special transport service between Aliados Avenue and the City Park as from 30 May until 2 June over 10 thousand passengers having been carried. Significant enhancements have been made on several lines running to the City Park where this event took place. Fare pricing applied was the same as the pricing in place on STCP's network.

On-site Andante sales point provided to customers up-to-date information as well as the sale of tickets. At bus stops

located close to Cidade S. Salvador Place, STCP provided a mobile point of sale solution for the purchase of “Agente Único” tickets (sold on board).

Serralves Foundation Celebrations

On 8 and 9 June STCP ensured once again a high level of cooperation in a great event – Serralves Foundation celebrations – by providing a shuttle service between Casa da Música and Serralves, line 203 having run an enhanced service.

Feast of Saint John

By the end of the month of June on the night of the Feast of Saint John several lines operated enhanced services all night long thus, complementing local metro services, high capacity buses having been allocated for this purpose. A total number of 35 lines ran a night service and 21 lines operated a late night service covering the main points of the network in the city of Porto and the surrounding municipalities.

Partnerships set up to promote disclosure of events and cultural activities

Throughout the year several partnerships have been established to encourage disclosure of events and shows promoted by several entities. Attention should be drawn to independent insertion of events into stcp.pt. site by authorised users.

STCP and Metro do Porto working together for Public Transport growth

STCP and Metro do Porto joined the global movement “All together for the growth of Public Transport” created by UITP (*International Association of Public Transport*), on the Mobility Week which brought together more than 80 cities and regions in 30 countries thus, representing a joint appeal to more and better public transport boosting sustained growth resulting in benefits and advantages in terms of economic growth, creation of job opportunities, social inclusion, reduction of pollution levels, improvement of quality of life, safety, creation of value, reduction in energy costs, among others.

This worldwide advertising campaign is visible on almost 60 thousand buses, metros, trains, stations and bus stops covered by the adherent public transport networks carrying over 85 million passengers a day, being viewed by about 200 million people. In Porto Metropolitan Area several campaign themes were advertised on STCP and Metro do Porto vehicles, adapted to local conditions.

This first campaign jointly run by STCP and Metro do Porto demonstrates the commitment of both companies to providing an integrated citizen-oriented service of high quality as a decisive factor for the development of greener, dynamic, safe

and economically vibrant cities promoting social inclusion and across the entire served area.

3.3.3 Promoting safety on public transport

Partnership established with local Police Service Command Units

Full cooperation has been maintained with local Police Service Command Units (PSP) as well as with Porto Municipal Police Service, regular meetings having been held aimed at improving safety on public passenger transport, road traffic flow and conditions for road users.

Under the protocol agreed with local Police Service Command Units (PSP) in 2010 the company was provided expert advice and support regarding inspections carried out on board buses in order to tackle fare evasion and prevent crime and disorder. Over the year several joint inspections were undertaken on board vehicles on several points of STCP's network. Police Services have also afforded a wide cooperation which included Queima das Fitas and Optimus Primavera Sound Festival operations by ensuring the safe boarding and alighting of passengers and focusing on bus routes.

3.3.4 Tram Museum

In the year of 2013 the Tram Museum went on developing its museological projects mainly based on journeys made on historic trams across the city of Porto seeing that it was impossible to visit its permanent exhibit ion since late December 2012.

In January of 2013 a new programme of tram travels was developed targeted at schools representing the museum main audience with the help of guides, over 10 million children having joined.

With reference to the tourist industry, it should be noted a 15% increase in tram rental service towards 2012. Major customers for this service are travel agencies and/or tourist events promoters representing 80% of the recorded demand while the remaining rental services are directly delivered by organisations and individuals.

Tram Museum shop added new products for sale in 2013 after a *merchandising* line has been launched in March 2012 greater emphasis being placed on a particular miniature of tram of *Porto Tram City Tour* the popularity of which contributed to POP - *Porto Official Product* label award (recognition given by Porto City Hall to products associated with iconic symbols of the city thus, corresponding to a contribution to their promotion) by Porto City Hall.



Events in the spotlight

XXIII Annual Parade of Historic Trams

On 4 May XXIII Annual Parade of Historic Trams took place along Douro Riverside, this edition placing particular emphasis on the celebrations marking the 50th anniversary of the opening ceremony of Arrábida Bridge. For this purpose, the Museum selected a series of 11 representative vehicles of ancient times as part of the Museum's collection. A large number of enthusiastic people joined the event, many foreigners having stood out among the general public. It also should be noted that in 2013 two external entities joined the event: Mercearia/Café Line 22 - which made a special travel between Massarelos/Batalha/Carmo with wine tasting on board and YELLOW TRAM, a tram related "merchandising" company which set up a promotional shop inside one of our trams belonging to our collection, in front of the Tram Museum.



International Museum's Day and Night

On 18 May as part of the International Museum's Day and Night, Tram Museum took forward a relevant initiative "Improbable Journeys" ("Viagens Improváveis"), affording the general public the opportunity of visiting some trams operating rail track maintenance belonging to the Museum's collection. Three vehicles were moved to Infante (Emergency wagon 76 – Sanding rail wagon 48 – and Catenary repair wagon 49 – the general public having visited them free of charge. Museum's Night was celebrated with a journey made on board a tram belonging to the Museum's collection as well as the use of live actors helped drive the animation performance and a few comments were provided by a Museum display about the "stories" ("estórias") of passengers and travelers circulating on line 1, Riverside Line. Demand for this musical programme has proved to be a huge success seeing that ridership hit a high level. This gave rise to a new journey having also set a new record level of ridership due to the resultant lack of passenger seating.

Fado Performances on board

The "Fado Performances on Board" programme consisted of a travel service offering Fado performances to the general public and tourists particularly along the Douro riverside on board an iconic tram as part of the Tram Museum's collection (tram n.º 288), listening to Fado most popular song and tasting Port Wine. This event was held over two weekends corresponding to Easter and 25 April holidays.

The Route of Museums project was awarded a Prize from the Portuguese Association of Museology - APOM, 2013

The "Route of Museums" project ("Rota dos Museus") promoted by Porto City Hall through Municipal Administration Services responsible for Knowledge and Social Cohesion in which the Tram Museum participates, received a relevant award from the Portuguese Association in the category of Partnerships last month of December. Tram Museum participation comprised of a programme of 9 different routes, each route allowing the visit to three different museums related to the same theme totaling 27 museums.

Tram Museum also joined a working group in 2013 exclusively devoted to the relation between Tourism and the cities' museums under the research project "Museums of the city of Porto – challenges for the construction of territories" in which the Tram Museum has been an active participant since 2011.

3.3.5 Associations and Partnerships

STCP is a member of UITP – *Union Internationale des Transports Publics*

and also member of

CT 148 – Portuguese Technical Committee for Transport, Logistics and Services Standardisation

STCP is a member of the following entities:

AEP – Portuguese Trade Association

Porto Trade Association

ADEPORTO – Porto Energy Agency

APVGN – Portuguese Association of Vehicles running on Natural Gas

CODIPOR – Portuguese Association for Product Identification and Codification

ISQ – Welding and Quality Institute

ATC Porto Tours – Entrepreneurs Association for Cultural Tourism Development in Porto and surrounding Area.

INEGI – Mechanical Engineering and Industrial Management Institute

AMTC – Association for Transport and Communication Museum

APAC – Portuguese Railway Fan Association

Porto Archives Fan Association

Porto Coliseu Fan Association

Porto Information Provision on Consumption and Arbitration Centre

Library of the Faculty of Engineering of Porto University

Serralves Foundation

INEGI – Mechanical Engineering and Industrial Management Institute

IEP – Portuguese Electro-Technical Institute

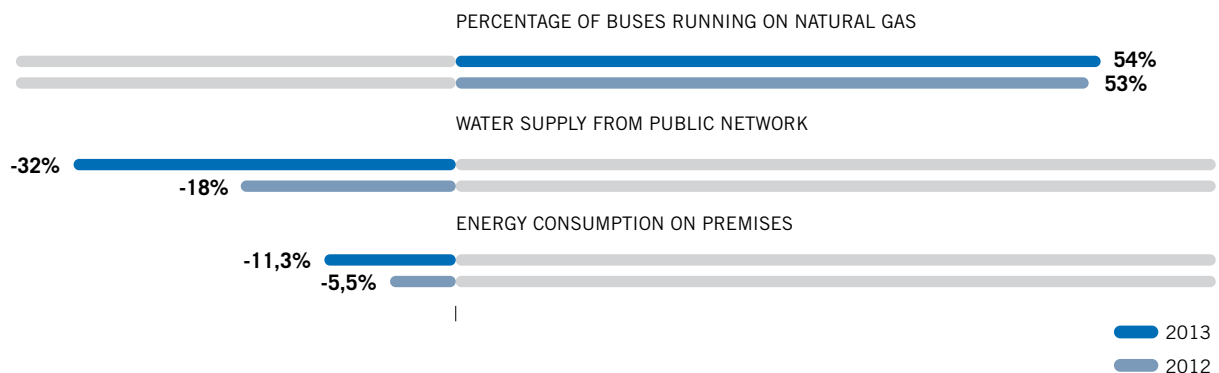
3.4 ENVIRONMENTAL ISSUES

STCPs ongoing commitment supported through best practice policies for Quality, Environment and Security and Health at Work is to “reducing environmental impact arising from transport operations, by providing facilities and equipment with effective solutions and technological developments, encouraging a progressive reduction of pollution levels and the consumption of natural and energy resources”.

As a road public transport operator, STCP plays a vital role in the urban environmental quality of the area where it operates. The commitment of making an outstanding contribution to provide a better quality of life, leads the company to ensure a continuous improvement, always searching for the most effective technological solutions targeting lower levels of air pollutants thus, contributing to both social and environmental sustainability.

In 2013 STCP Environmental Certification was renewed by APCER.

SOME INDICATORS - EVOLUTION 2012-2013



In 2013 STCP reinforced communication with Regulatory Bodies pursuant to provisions laid down by legal legislation which regulates its activity in terms of environmental impact. As regards monitoring of emission sources (chimneys), legal requirements regulating this issue were met after meetings having been held with CCDRN, certified by this entity through issued letters.

With reference to fluorinated greenhouse gases, information was uploaded through the appropriate *link* designed by the Portuguese Environment Agency (APA) technical support being provided by APA regarding fixed equipment with 3kg pressure or more, located on STCP different facilities in accordance with Decree-Law 56/2011 of 21 April.

Concerning high voltage electrical equipment, SF6 fluorinated gases contained in this type of cooling equipment modules were equally recorded.

Information regarding gases inside air conditioning equipment with which vehicles of public service are fitted, was also monitored.

Training and Awareness Raising

Throughout the year of 2013 an awareness raising campaign was launched and pursued about the correct separation of wastes in the workshop environment where the usual vehicle operational maintenance activities are scheduled targeted at employees and service providers.

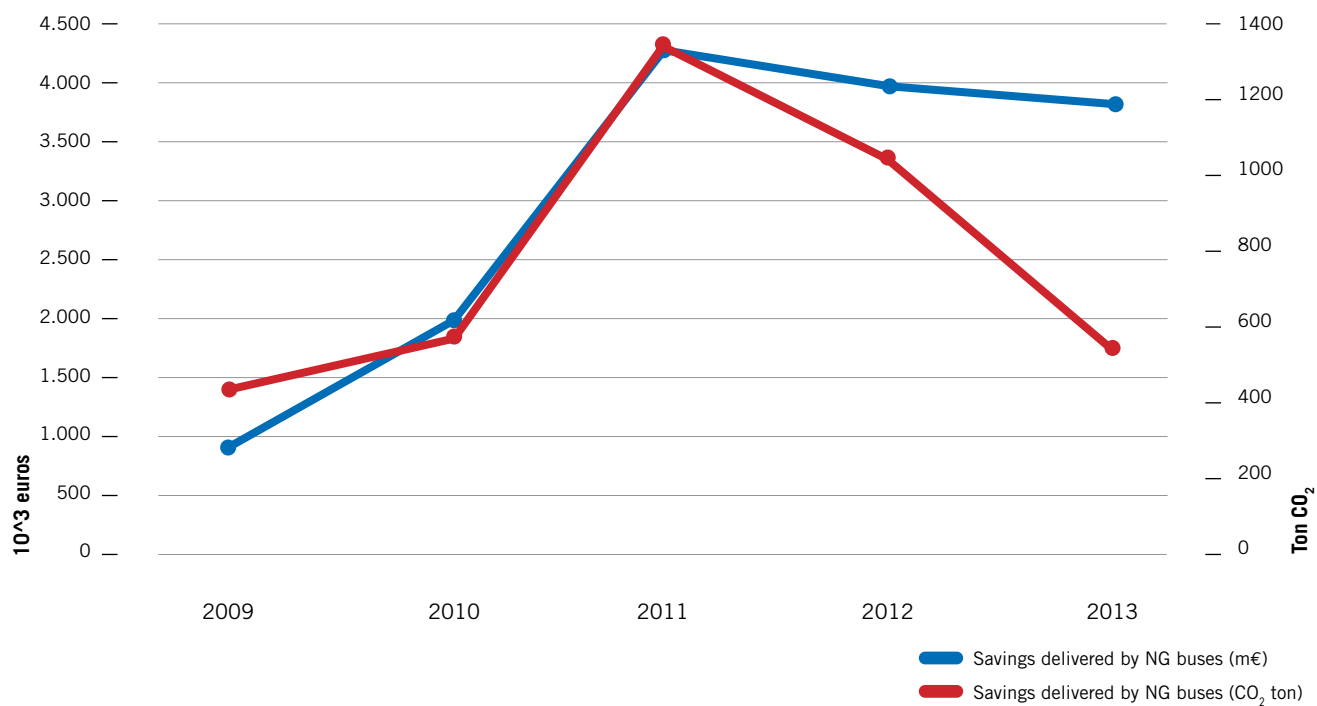
On the other hand, two employees of the company have been provided training focused on the collection of hospital waste.

The Fleet

In 2013 STCP reported savings amounting to nearly 3,8 million euros in fuel consumption. This includes 527 tonnes of CO₂ emissions avoided by operating a fleet of buses running on natural gas in comparison with diesel oil.

Since 2001, the year when buses running on natural gas came into operation, savings due to energy diversification – gas consumption instead of diesel – totaled nearly 25,8 million euros and 6.225 tonnes of CO₂ emissions.

SAVINGS DELIVERED BY BUSES RUNNING ON NATURAL GAS



Pollutant Atmospheric Emissions

The total number of CO₂ emissions recorded a 1,3% drop in 2013 owing to a decline in Kilometres travelled compared

to 2012. CO emissions per Kilometre operated decreased nearly 0,2%, standing at 1,40 Kg.

CO₂ Emissions²

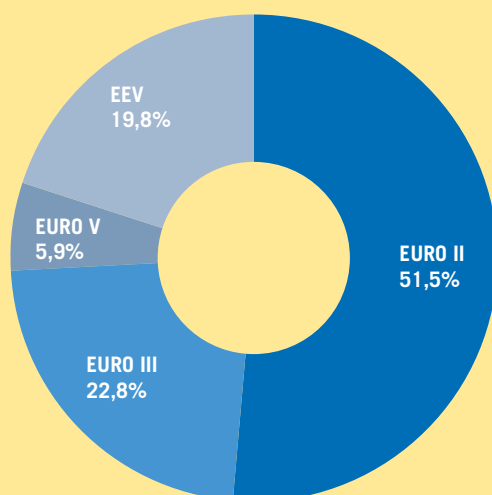
	2010	2011	2012	2013	13/12
Diesel Consumption (litres)	6.154.613	5.838.263	5.357.625	4.758.484	-11,2%
Natural Gas Consumption (m ³) [1]	10.184.235	9.844.229	9.484.226	10.066.228	6,1%
CO₂ (t) Emissions - Diesel	16.174	15.343	14.080	12.505	-11,2%
CO₂ (t) Emissions - Natural Gas	20.032	19.664	18.655	19.800	6,1%
Total Amount of CO₂ Emissions	36.207	35.007	32.735	32.306	-1,3%
CO₂ Emissions /Km Operated (Kg)	1,37	1,39	1,40	1,40	-0,2%

[1] Source: Values obtained through measuring equipment at Francos Bus Depot delivery point.

STCP's fleet comprises vehicles complying with EURO II (51,5%), EURO III (22,8%), EURO V (5,9%) and EEV (19,8%) standards. That is to say, about 26% of the fleet is in compliance with the most demanding standards from the environmental point of view in force in the European Union.

These standards impose limits to nitrous oxide emissions (NO_x), unburned hydrocarbons (HC) and fine particles (PT), which are inherent emissions to engine technology. These emissions are measured in g/kWh thus, being directly linked with engine work and efficient internal combustion.

DISTRIBUTION OF STCP'S FLEET IN 2013 BY EURO STANDARDS:



Energy

Annual Report of 2012 has been approved by the Directorate-General for Energy and Geology regarding the implementation of Rationalisation Plan of Energy Consumption approved according to procedures set out by Order of 12-09-2013 from this Directorate-General and as per provisions laid down in Art.º 20º of Ordinance nº 228/90, dated 27 March.

In the last years energy consumption has had the following evolution:

In 2013 a decline by 11,3% (-506.674 KW) occurred in energy consumption at STCP premises towards 2012, resulting in a more effective consumption of energy resources.

Total E quivalent Tonnes of Oil (Teo) recorded a reduction of 1,3% in comparison with 2012.

Energy consumption

	2010	2011	2012	2013	13/12
Tram electricity (kWh)	297.652	323.693	369.670	406.806	10,0%
kWh/100km	271	288	310	341	9,9%
Teo	86	94	107	118	10,0%
Fixed Installed Electricity (kWh)	4.940.201	4.724.391	4.465.817	3.959.143	-11,3%
Teo	1.433	1.370	1.295	1.148	-11,3%
Diesel Litres	6.154.613	5.838.263	5.357.625	4.758.484	-11,2%
litres/100km	52,78	54,90	55,02	54,13	-1,6%
Teo	5.370	5.094	4.675	4.152	-11,2%
Natural Gas [1] Cubic Metres	10.184.235	9.844.229	9.484.226	10.066.228	6,1%
m ³ /100km	68,61	67,66	69,68	70,45	1,1%
Teo	8.351	8.072	7.777	8.254	6,1%
Total Teo	15.240	14.631	13.854	13.673	-1,3%

Teo - tonnes equivalent of oil

Calculations made in compliance with Ordinance nº 228/90 of 27 of March

[1] Source: Values obtained through measuring equipment at Francos Bus Depot delivery point.

Water

Overall water consumption has also recorded a relevant decrease in 2013, representing 10.625 m³ less compared to 2012, that is 32% less. This reduction is due especially to a 40% drop in water consumption from underground catchments as a result of some water distribution system

leaks having been detected as well as consumption best practices.

As to water from public network, reduction trend continued leading to a 6% fall in the quantity consumed towards 2012.

Evolution of water consumption in the last years:

Water	2010	2011	2012	2013	13/12
Total water consumption (m ³)	39.574	40.094	33.037	22.412	-32%
Water consumption from public network (m ³)	13.042	12.136	7.722	7.270	-6%
Water consumption from underground catchments (m ³)	26.532	27.958	25.315	15.142	-40%

Waste Management

One of STCP's major priorities goes to selective waste collection. STCP carries out waste collection and is committed to ensuring an adequate treatment and disposal focusing on waste valorisation, whenever possible.

In 2013 a fall in hazardous waste occurred in relation to the year before followed by a positive evolution of non hazardous waste. With reference to hazardous waste, separation best

practices have a far greater environmental impact than the miscellaneous waste or non hazardous.

The increase of non hazardous waste results from the good organisation of workshops storage spaces and concentration of working areas according to maintenance requirements in the last years.

Most significant wastes (evolution 2010-2013):

Hazardous Industrial Wastes	2010	2011	2012	2013	13/12
Used Oils (litres)	18.200	17.400	11.837	14.650	24%
Used Batteries (un)	185	209	160	167	4%
Fluorescent Lamps (Kg)	253	293	251	271	8%
Non hazardous Industrial Wastes	2010	2011	2012	2013	13/12
Wood (kg)	9.960	6.360	4.760	3.920	-18%
Miscellaneous Industrial Wastes (kg)	14.160	13.020	24.060	35.720	48%
Metallic Wastes (kg)	202.740	58.780	68.261	27.041	-60%
Other Wastes	2010	2011	2012	2013	13/12
Paper and Cardboard (kg)	12.600	12.105	14.490	5.250	-64%
Demolition and Construction Wastes (kg)	67.580	55.300	1.280	48.760	3709%
Hospital Wastes Group III and IV	71,8	64,9	61,8	59,5	-4%



3.5 SOCIAL RESPONSIBILITY TOWARDS STAFF

The Company is committed to ensuring “healthy staff professional growth and development, namely by promoting the necessary and suitable working conditions and practices targeted at preventing injuries, wounds and potential damage to the health and well-being”, in compliance with Quality, Environment and Security and Health at Work policies and procedures.

3.5.1 Human Resources

On 31 December 2013 the number of employees amounted to 1.231, staffing levels having been reduced by 31 employees (-2,5%) in relation to the same period of 2012. Out of 31 employment contract terminations, 20 were due to retirement reasons. No recruitment has been recorded. In 2013 the average number of employees hit 1.245. Vehicle crew, bus and tram drivers corresponded to 70% of the staff at the end of the year. Nearly 91% of the staff are employed under an open ended employment contract.

Permanent Staff as at 31 December [1]	2010	2011	2012	2013	2013/2012	
					var. abs	var. %
Total	1.496	1.318	1.262	1.231	-31	-2,5%
Vehicle Crew [2]	988	891	886	860	-26	-2,9%
% Vehicle Crew	66%	68%	70%	70%	0	0%

[1] Without Governing Bodies and Seconded Personnel

[2] Bus and Tram Drivers

Absenteeism Rate

Absenteeism Rate	2010	2011	2012	2013	2013/2012	
					var. abs	var. %
Total - Company	7,2%	6,8%	7,0%	6,7%	-0,3 pp	-4,3%
Vehicle Crew	7,5%	6,9%	7,8%	7,2%	-0,6 pp	-7,9%

In 2013 overall absenteeism rate of the company was 6,7%, having hit the lowest value in the last four years and a reduction by 0,3 p.p. in comparison with 2012.

Vehicle crew overall absenteeism rate reached 7,2% in

2013, thus, representing a 0,6 p.p. fall in relation to the previous year.

Throughout the year 24 strike actions occurred out of which 2 were due to plenary meetings.

Supplementary Work	2010	2011	2012	2013	2013/2012	
					var. abs	var. %
Total (hours)	79.188	81.189	99.594	101.882	2.288	2%
Vehicle Crew (hours)	77.642	80.700	98.109	99.123	1.014	1%
Total (cost €)	596.714	583.490	589.436	587.243	-2.193	-0,4%
Vehicle Crew(cost €)	579.386	579.370	578.971	568.273	-10.698	-2%

From a payment perspective: work paid over the year.

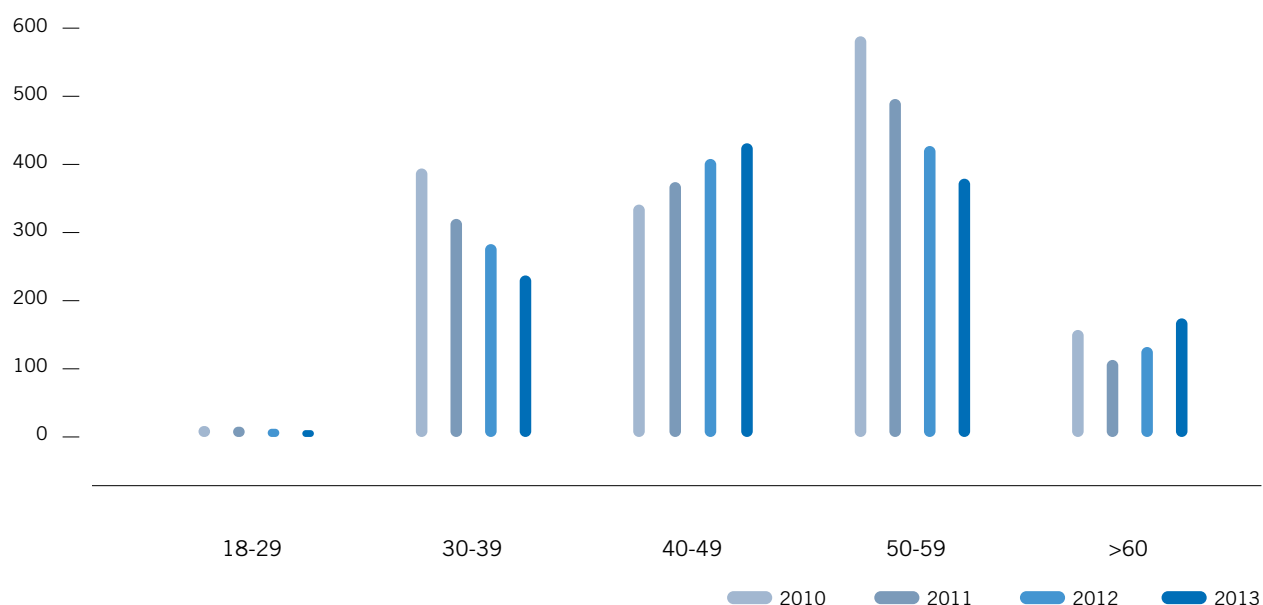
Supplementary Work

The amount of hours worked in excess has risen nearly 2% (+2,3 thousand hours) the overtime having been mainly almost entirely worked (97,3%) by vehicle crew.

Costs incurred with supplementary work have fallen by 0,4% in relation to the year before.

Average seniority of STCP's staff stands at 22,2 years and respective average age is 48,3 years, 20% representing the group of employees aged under 40.

STAFF AGE STRUCTURE



Qualification level has gradually increased in the past few years. In 2013 about 24,4% of the staff obtained secondary school level qualifications while in 2011 this level corresponded to 20%. On the other hand, the percentage of employees possessing the lowest education level, i. e. primary school level qualifications decreased from 73,4% in 2011 to 68,7% in 2013. The percentage of staff who pursued higher education courses stands at 7%.

Women represent about 7% of the workforce 28% of which correspond to vehicle crew. The remaining hold positions in technical and administrative areas. Particularly noteworthy is that 42% of leadership positions are performed by women. The distribution of staff by male and female gender on 31 December of 2013 was the following:

Staff on 31 December 2013

Position	Total	W	M	% per position		% of W-M	
				% W	% M	% W	% M
Senior Management positions	12	5	7	42%	58%	6%	1%
Vehicle Crew	860	24	836	3%	97%	28%	73%
Other	359	58	301	16%	84%	67%	26%
Total	1.231	87	1.144	7%	93%	100%	100%

W - Women M - Men

Concerning the Principle of Gender Equality and as set out in paragraph 1 of the Resolution of the Council of Ministers (RCM) N° 19/2012 of 23 February, the company issued a diagnostic report in May of 2012 of the situation of men and women based on Equality Indicators.

The company has not yet implemented the Equality Plan determined by the Resolution of the Council of Ministers n° 19/2012, of 23 February.

STCP reports information to the Institute for Mobility and Land Transport – IMT under the scope of monitoring measures set out in the IV National Plan for Equality, Gender, Citizenship and Non Discrimination 2011-2013 – Resolution of the Council of Ministers n° 5/2011, of 18 January.

STCP pursues a human resources policy based on equal opportunities, respect for human rights and non-discrimination, promoting the recognition and valorisation of abilities and skills and implementing systems to ensure employees' well-being.

Regarding male and female employees' pay, respective ratio equals 1 in STCP once, there is no gap by gender under each professional category.

Freedom of association of workers represents a guaranteed right and nearly 84% of the employees have joined trade unions.

Principles and rules of good practices of interpersonal relationship are set out in the Code of Ethics and Conduct launched at the end of 2008.

In 2009 the "Prevention Plan of Risks of Corruption and Related Infringements" was approved in compliance with guidelines outlined by the Prevention of Corruption Council. Detailed rules, codes and relevant regulations in force in the company are available on *intranet* to all staff consultation.

Evolution of Productivity Indicators

Productivity [1]	2010	2011	2012	2013
Vehicle km (10 ³) / average permanent staff	17	17	18	18
Place km (10 ³) / average permanent staff	1.522	1.600	1.733	1.650
Passengers (10 ³) / average permanent staff	63	66	66	63
Passengers km (10 ³) / average permanent staff	220	230	239	229

[1] not including subcontracted services

3.5.2 Professional Development

Training Programme

In 2013 a total number of 12.022 hours of training were delivered involving 402 employees. Hours of training provided to vehicle crew corresponded to 71% of the total number of hours of training representing 8.548 hours.

Awards

In the year of 2013 no awards were given in accordance with the State Budget.

Praising an Employee

Public service bus driver António Mário Carvalho Moutinho has been praised in public for having demonstrated high level of professionalism and willingness under severe weather conditions.

Employee Performance Evaluation

Employee performance evaluation has been carried out as determined in the company.

Christmas Festivities jointly celebrated with Metro do Porto and Ceremony held in recognition of Employees for 25 Years of Seniority

On 13 December Christmas festivities were once again jointly celebrated with the company Metro do Porto at STCP Francos Bus Depot as well as the ceremony in honour of employees for 25 years of seniority. This year only 2 employees were recognised for their service and engagement to STCP.

Promotion of Internships

In 2013, STCP has taken on 23 trainees and apprentices, 6 of which under the Professional Internship Programme supported by Instituto do Emprego e Formação Profissional - IEFP and 17 curricular internships concerning several education levels (secondary / professional and higher education).

STCP adhered to Out Of Office Day Initiative

Like some other companies of the State corporate sector STCP adhered to the Out Of Office Day Initiative which occurred on 7 March for the first time in 2013. The goal of this Out Of Office Day initiative is:

- > Improve life quality and family environment for employees;
- > Reduce operating costs in companies;
- > Increase productivity in the company;

- > Reduce environmental impacts.

3.5.3 Social Benefits

Promotion of conciliation between professional and private life

STCP pursues an active policy of reconciling the balance between professional and personal life of its staff by taking measures with tangible impact namely through the provision of financial support and logistics to the Cultural and Sports Centre of STCP. It is an Organisation voluntarily run by STCP staff, organising sports and cultural activities, targeted at all staff and respective families. Among these activities, a special Christmas party and a fortnight summer period during the bathing season aimed at employees' children should be highlighted.

Employees with children aged under 6 attending infant care facilities receive a fixed value contribution from the company. STCP ensures medical financial assistance to the staff corresponding to the amount non subsidised by the Social Security. The company also provides medical care through the access to STCP's own health care facilities.

STCP also offers a canteen service at Francos premises providing meals for the staff at production cost, food and beverage vending machines having been installed across all premises. In 2013 microwave ovens were installed in five lounges for bus drivers.

Practice of physical activity in the workplace - FISIOTBUS

In 2013 STCP started a programme of physical activity comprising physical exercises for Bus Drivers, designated as FISIOTBUS. Training sessions are carried out in partnership with Escola Superior de Tecnologia da Saúde do Porto - Porto High School of Health and Technology (Technical Scientific Physiotherapy area).

Given the repetitive nature of bus driver's professional activity leading to muscle, ligaments and joints injuries, FISIOTBUS programme appeared to decrease injury risks by means of specific physical exercises designed by a team of Physiotherapists aimed to tackle the main problems following an analysis of the questionnaires randomly conducted to about 200 bus drivers.

Pension Fund

Since 1 May of 1975, the company has designed a Fund that provides pension supplement and disability benefits to all staff bound to the company through open-ended employ-

ment contracts signed until 2005 inclusive, calculated and based on a fixed formula and paid on the clear understanding that the sum of the pension settled by Social Security plus this supplement does not exceed 650 euros (amount established since 2007).

Costs incurred with pension supplement are covered by a Pensions Fund which has been designed in 1998. This is a unique situation occurring among transport operators of the public sector.

According to BPI Pension Actuarial Report which was issued in accordance with new regulations laid down by article 75° of Law n° 83-C/2013 of 31 December (Note 29 of the Report) the fund value on 31 December 2013 was €1.586.115,00 not being necessary to make any additional contribution to the Pension Fund in 2013 nor is it expected any additional contribution for 2014.

3.5.4 Employee Health, Welfare and Security

Employees Health

STCP's health care facilities located at Francos Bus Depot maintained a high level of health care services having offered 2.588 medical appointments of general practice medicine and 1.320 specialty appointments (75% regarding dental appointments), besides skilled nursing care services also delivered at the nursing unit located on the premises of Via Norte Bus Depot.

Occupational Medicine provided 1.930 medical appointments and 280 specialty appointments in support of occu-

pational medicine. Sensory testing totaling 1.973 including visual and auditory tests were performed and extended to all the staff having been included in the protocol agreement of periodic follow-up testing as well as for personnel recruitment purposes.

114 employees underwent visual screening.

Alcoholic Beverage Control team as part of Occupational Medicine conducted 5.425 tests without being previously announced, one positive result having been shown

Security-related Training and Awareness Raising

In the course of 2013 the following training actions were delivered as well as awareness raising concerning Security issue, 287 employees having participated: Economic Defensive Driving; Ongoing Training for Bus Drivers; New Traffic Regulations; First Aid; Health and Security at Work; Security in Industry; Safety Training for Staff Working at Height – Use of Safety Harnesses; Together in the Prevention of Occupational Risks.

Employee Security

In the course of 2013, 43 Hygiene and Security at Work inspections were carried out. Premises have been inspected as well as every workplace and equipment as a result.

Work-related Accident Indicators

With reference to work-related accident indicators and according to the table below a significant improvement has been recorded towards the last years, particularly compared to 2012:

Work Accident Indicators		2010	2011	2012	2013	13/12	
Frequency Rate (FR)	= (N° of work-related accidents involving sick leave / N° of actual hours worked) x 1.000.000	=	49,8	39,9	34,7	30,0	-13%
Severity Rate (SR)	= (Total N° of accidents/ N° of actual worked hours) x 1.000.000	=	1.565,0	1.195,8	1.004,8	704,6	-30%
Incidence Rate (IR)	= (N° Accidentes Totais / Total N° of employees) x 1.000	=	100,5	78,3	75,2	60,1	-20%



3.5.5 Internal Communication and Relationship with Stakeholders

Intranet is the main tool of STCP's internal communication widely accessible to all the staff providing regular daily news as well as databases query, relevant manuals and features such as holiday planning and payslip view or the schedule of daily service for vehicle crew. In addition, STCP publishes a monthly newsletter providing a summary of the main events and relevant statistics about the company's recent activities in the respective month.

Memorandum of Understanding with trade unions and workers committee

On 4 April a Memorandum of Understanding was agreed and signed between STCP's Board of Directors and Workers' Representative Associations and Trade Unions. Pursuant to this signed document parties declared to commit to working together and combine efforts in order to intensify and engage in Social Dialogue taking into account that this is the best way to defend the concerns and interests of citizens of Porto Metropolitan Area and STCP's staff.



JCDecaux

3% REEMBOLSO
+ 3% TANI

IMAGINEMOS
JUNTAMOS
O ÚTIL
AO RENTÁVEL.

RAIOL
E SUPRITO
TAVOLA

500 MARTIM DE SAUS (MERCADO)

TP 3247



Corporate Governance

This chapter contains all relevant information released on STCP's Corporate Governance regarding the previous financial year of 2013 as set forth in Decree-Law n° 133/2013, of 3 October which approved the new Legal Scheme of the State Corporate Sector (LSSCS).

In compliance with article 13-B of Decree-Law n° 300/2007, of 23 August revoked by Decree-Law referred to in the previous paragraph STCP has recently published by Notice n.º 10584/2013, in Diário da República, 2nd series, N.º 164, of 27 August 2013, information contained in paragraphs a) to h) of n° 1, of the referred article, concerning the Board of Directors structure and membership, their curricula vitae, qualifications and positions previously held; respective fixed and variable remunerations earned by each director every year as well as remunerations received by the remaining governing bodies' members.

Compliance with legal guidelines set out in letter n° 832 of 14 February 2014 from Directorate-General to the Treasury and Finance is pointed out in this chapter

4.1 CORPORATE MISSION, OVERVIEW, VALUES AND POLICY

STCP - Porto Public Transport Company, S.A. is a State owned public limited company pursuant to Decree-Law nº 202/94 of 23 July whose main goal is the delivery of urban public passenger transport within Porto Metropolitan Area (AMP) as well as the operation of other complementary or subsidiary activities.

As the leading public transport operator within Porto Metropolitan Area, STCP makes an outstanding contribution to the sustainable development of the operated area.

> Mission

STCP's corporate Mission is the "delivery of safe, reliable urban public passenger transport within Porto Metropolitan Area" (AMP), keeping the city of Porto moving and making transport accessible for all, in close cooperation with the remaining road, rail and light railway operators thus, representing a major contribution to improving people's mobility. STCP ensures a real alternative to private car use, and is committed to delivering social and environmental tangible benefits towards the provision of a range of continuous performance improvements.

> Overview

STCP aims at being recognised as a benchmark company among those adopting the best practices in the public passenger transport sector both at national and European level.

> Values

The following values define STCP's position towards the society in general, Customers, the Shareholder, stakeholders and suppliers and also the relationship with everyone working in the company or those cooperating with it:

Legality, Responsibility, Accuracy, Transparency and Impartiality, Cooperation, Quality, Public Service, Social Awareness, Modernity, Security and Environmental Concerns.

> Política

Under the scope of the Quality, Environment and Security and Health at work policies, STCP aims to:

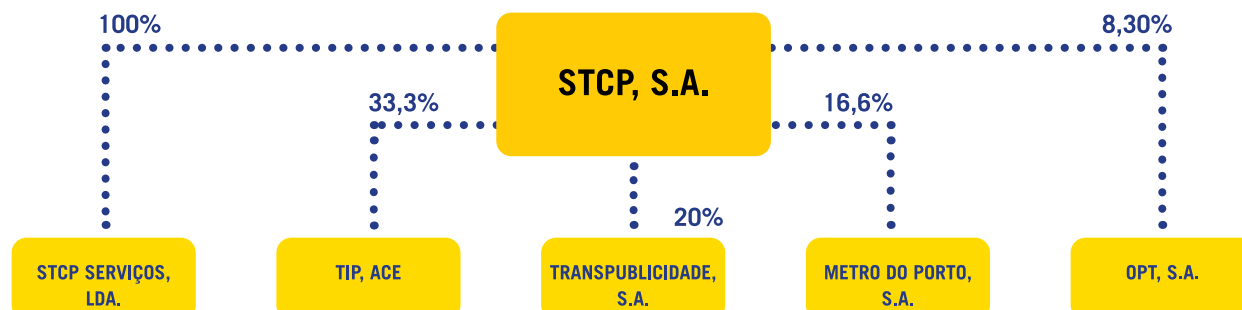
- > Stand out by acting as a strong and effective deterrent to private car use through the promotion of high quality urban public passenger transport service, as well as safe, modern and eco-friendly.

- > Meet disabled customers' needs by providing a wide access to transport network, timetables and products particularly designed for passengers with mobility impairments within the limits allowed by concessions and by the rational use of human and material resources.
- > Encourage ongoing communication and cooperation with external entities namely central and local governance institutions, corporate associations and the general public.
- > Ensure social and healthy professional growth and development of its staff notably by promoting suitable conditions for the performance of activities towards the prevention of injuries, wounds and potential damage to the health.
- > Minimise environmental impact of the supporting activity, by providing facilities and equipment with effective technologically advanced solutions that may contribute to a progressive reduction of pollution levels and the consumption of natural and energy resources.
- > Develop all its activities, products and services under an integrated management system in the areas of quality, environment and security and health at work with the involvement of its employees, suppliers, outsourcing agents and local authorities and customers.
- > Seek continuous improvement and observe the requirements set out in the Integrated Management System including not only those legally and statutorily applicable but also those in which the company is deeply engaged to meet on its own initiative by regularly evaluating performance through internal audits carried out to identify compliance with standards culminating in the annual review of the System.

4.2 CORPORATE GOVERNANCE MODEL AND MEMBERSHIP

Portuguese State is the sole STCP's shareholder whose role is performed by the Government member responsible for the financial area in cooperation with the Government member responsible for the transport sector, that is to say the supervision power belongs to the Ministry of Finance along with the Ministry of Economy.

STCP, S.A. owns stakes in several other companies running as follows:



STCP's monistic and latin model of corporate governance is composed of a Board of Directors, two Auditing Bodies, the

Supervisory Board and the Statutory Auditor as set out in the company's articles of association.

Corporate Governance

Term 2012 - 2014

Position	Corporate Governance	Election
Board of Directors		
Non Executive Chairman	João Velez Carvalho	12/08/10
Executive Board Member	André da Costa Figueiredo e Silva Sequeira	12/06/29
Executive Board Member	Alfredo César Vasconcellos Navio	12/06/29
Non Executive Board Member	António José Lopes	12/08/10

Term 2009 -2011

Position	Corporate Governance	Election
Board of the General Meeting		
Chairman	Rui de Carvalho Araújo Moreira (*)	09/04/06
Deputy Chair	Maria Teresa Vasconcelos Abreu Flor Morais	09/04/06
Secretary	Carlos Maria Rocha Pinheiro Torres	09/04/06
Supervisory Board		
Chairman	Pedro Romano Martinez	09/04/06
Permanent Member	Ana Alexandra Filipe Freitas	09/04/06
Permanent Member	Maria Manuela Marques Lima (**)	09/04/06
Alternate Member	Dino Jorge Ramos Santos	09/04/06
Statutory Auditor		
	António Magalhães & Carlos Santos, Sociedade de Revisores Oficiais de Contas Representada por Carlos Alberto Freitas dos Santos, ROC nº 177	09/04/06

(*) Resigned from his position on 14 October 2013

(**) Requested termination of her position from 1 December 2013 onwards

By unanimous deliberation in writing of 29 June 2012 taken under the provisions set forth in nº 1 of article 54º of Companies Code the following STCP's Board Members were elected and appointed :

- > Executive Board Member: Dr. André da Costa Figueiredo e Silva Sequeira
- > Executive Board Member: Dr. Alfredo César Vasconcellos Navio

By unanimous deliberation in writing of 10 August 2012 taken under the provisions laid down in nº 1 of article 54º of the Companies Code, the following STCP's Board Members were elected and appointed:

- > Non Executive Chairman: João Velez Carvalho
- > Non Executive Board Member: Dr. António José Lopes

Two of the four Board Members hold chief executive roles and the two remaining ones perform non executive positions. None of them earn any additional remuneration for positions held in associates.

The remaining Corporate Governance bodies were elected and appointed for 2009-2011 term and went on holding their positions.

Remuneration Committee was abolished in STCP's General Meeting held on 18 June of 2013.

4.2.1 Positions and Responsibilities

General Meeting

The duties of the company's General Meeting are set out in Article 8 of the respective Articles of Association:

- 1 - The General Meeting deliberates on all matters for which law or present Articles of Association attribute it competence.
- 2 - It is the responsibility of the General Meeting, in particular, to:

- a) Deliberate on the management report and accounts for the year, as well as on the proposed appropriation of profit or loss and proceed with the general assessment of the company's management and supervision.
- b) Elect and exonerate the members of the General Meeting, Board of Directors and Supervisory Board;
- c) Deliberate on any amendments to the articles of association and share capital increases;

d) Deliberate on the remunerations of the governing bodies, and may, for the effect, appoint a remuneration setting committee;

e) Deliberate on any projects to expand the lines operated by the company;

f) Authorise the acquisition and disposal of immovable assets, as well as the undertaking of investments, when, in each case, the value exceeds that corresponding to 10% of the share capital of the company;

g) Authorise the acquisition and disposal of shareholdings, in this last case only when the value exceeds that corresponding to 10% of the share capital of STCP, S.A.;

h) Deliberate on the emission of bonds.

Board of Directors

The Board of Directors is responsible for the management of the company under the terms of Article 11 of respective Articles of Association.

1 - The Board of Directors is responsible for:

- a) The management of corporate business and practice of all acts relative to the corporate object that do not fall under the competence attributed to other governing bodies of the company;
- b) The preparation of the annual report;
- c) The acquisition, disposal or encumbrance of movable and immovable assets and shareholdings, without prejudice to the provisions in sub-paragraphs f) and g) of number 2 of article 8º
- d) The representation of the company in and out of court, as plaintiff or defendant, holding powers to waive, come to terms and confess in any pleas, as well as sign arbitration agreements;
- e) The establishment of the technical and administrative organisation of the company and its internal operating rules;
- f) The appointment of attorneys empowered as deemed suitable;
- g) The exercise of all other duties attributed by the law or by the General Meeting.

2 - The Board of Directors may, within its legal limits, delegate some of its duties to one or more of its members.





Regarding specific duties of each member:

Non Executive Chairman – Dr. João Velez Carvalho

Holds the position of non executive Chairman. He is responsible for overseeing and evaluating the company's management carried out by the other Board Members aiming at achieving strategic goals, the efficiency of the company's activities and focuses on matters which are relevant to the interests of the shareholder and to the general interest. He is also responsible for Human Resources strategic decisions.

Executive Board Member – Dr. André da Costa Figueiredo e Silva Sequeira

Performs executive roles. He is responsible for the direct coordination of Secretariat and Administrative Support to the Board of Directors, Marketing, Planning, Control and Audits, Informatics and Communications, Administration and Finance as well as Projects and Strategy.

He acts on behalf of STCP in the associate's Board of Directors - Transportes Intermodais do Porto, ACE (TIP-ACE) and is the Manager of the company STCP SERVIÇOS – Transportes Urbanos, Consultoria e Participações, Unipessoal, Lda..

Executive Board Member – Dr. Alfredo César Vasconcellos Navio

Holds executive positions. He is responsible for the direct coordination of the Traffic Operations, Organisational Development, Safety and Environment, Fleet Maintenance, Tram Network as well as the Tram Museum.

He acts on behalf of STCP in the associates OPT – Optimização e Planeamento de Transportes, S.A. and TRANSPUBLICIDADE – Publicidade em Transportes, S.A.

Non Executive Board Member – Dr. António José Lopes

Performs non executive roles. He is responsible for overseeing and evaluating the company's management carried out by the other Board Members, targeting to achieve strategic goals efficiency of the company's activities and focuses on matters which are relevant to the interests of the shareholder and to the general interest. He is also responsible for overseeing the Planning and Control Department as well as strategic decisions. He is also the Representative for the Integrated Management System and Quality.

Supervisory Board

Under the terms of Article 14º of the Company's Articles of Association:

1 – Supervision of the Company belongs to the Supervisory Board, composed of a Chair, two permanent members and one alternate member and a statutory auditor or a company of chartered accountants who are not members of the supervisory board.

2 – Supervisory Board and the Statutory Auditor or a Company of Chartered Accountants are empowered and entrusted with the duties attributed by the Companies Code.

4.2.2 Curricula Vitae of the Board Members

Non Executive Chairman – João Velez Carvalho

Date of Birth: 17 April 1947

Education:

1st Degree in Finance, by Instituto Superior de Ciências Económicas e Financeiras da Universidade Técnica de

Lisboa (1970) - High Institute of Economic and Financial Sciences of the Technical University of Lisbon.

Post-graduate Degree by Universidade de Paris XII - University of Paris XII having obtained Certificat d'Aptitude à l'Administration des Entreprises (diplôme d'État) (1972).

Master of Business Administration (MBA) by Instituto Superior de Estudos Empresariais da Universidade do Porto (1994) - High Institute of Entrepreneurial Studies of the University of Porto (1994).

Master of Science in Quantitative Methods for Management by Escola de Gestão da Universidade do Porto (2008) - School of Management of the University of Porto (2008)

Ph. D. student, Industrial Management at Universidade de Aveiro (2008/2013) - University of Aveiro.

Professional Career:

Since July 2012, Chairman of the Board of Directors and Chairman of the Executive Committee for Metro do Porto, S.A. – Porto Light Rail

Since 1975: Assistant Lecturer at Instituto Superior de Contabilidade e Administração do Instituto Politécnico do Porto - High Institute of Accounting and Administration of Porto Polytechnic Institute (scientific area of Strategic Management/ Assistant Lecturer).

Director of Master's Programme in Logistics of Associação de Politécnicos do Norte (2009/2011) - Northern Association of Polytechnics.

After 2006: Senior Management Consultant at several companies (strategic management); Management of internationalisation projects.

2003 – 2006: STCP's Board Director - Sociedade de Transportes Colectivos do Porto, S.A., - Public Transport Company of Porto, holding executive positions being responsible for the coordination of Human Resources, Traffic Operations, Fleet Maintenance and Tram Museum as well;

Member of TIP's Board – Transportes Intermodais do Porto, ACE – Intermodal Transport of Porto (2006).

2000–2003: Senior Management Consultant at several companies (strategic management); Management of internationalisation projects.

1999–2000: Consultant providing environmental advice, guidance and support (in the domains of water and urban sanitation, solid and industrial wastes) at EURISCO, S.A. Grupo AEP (AEP Group) and LawGibb, S.A., project development of industries relocation in association with Roland Berger & Partners and consultant at RAR – Sociedade de Controlo (Holding), S.A.

1989-1998: Managing Director of SET – Serviços e Tecno-

logias, S.A. (Grupo RAR) – Services and Technologies (RAR Group); Executive Board Member of RAR AMBIENTE, SA; Board Member of NUTRIGER, SGPS, S.A.; Board Member of CLIMAESPAÇO – Sociedade de Produção e Distribuição de Energia Térmica Urbana, S.A. – Generation and Distribution of Urban Thermal Energy; Managing Director at RAR – Sociedade de Capital de Risco, S.A. - Venture Capital Company; Executive Board Member of GROWELA Cabo Verde, SARL; Member of the Board of the General Meeting of RECOLTE – Recolha, Tratamento e Eliminação de Resíduos, S.A. – Collection, Handling and Disposal of Wastes; Chair of the Supervisory Board at Imperial – Produtos Alimentares, S.A. – Foodstuff Company. 1975–1989: Chief Administrative and Finance Officer at MOLIN – Materiais de Desenho de Mário Lino, Lda. – Drawing Material Company; Executive Board Member of MOLIN SOUTH AFRICA, S.A.; Executive Board Member of MOLIN U.K., S.A.

Executive Board Director – Dr. André da Costa Figueiredo e Silva Sequeira

Date of Birth: 19 September 1980

Education:

1st Degree in Economics by Faculdade de Economia e Gestão da Universidade Católica Portuguesa, Centro Regional do Porto (2003) - Faculty of Economics and Management of the Catholic University of Portugal, Porto Regional Centre. Advanced Management Programme by Escola de Gestão do Porto EGP (2010) - Porto Business School.

Professional Career:

From September 2009 to June 2012 - Controller at Mota-Engil SGPS,SA.

From January 2007 to August 2009 – Chief Officer at Mota-Engil Central Europe Slovenská Republika, a.s.; Director at Mota-Engil Engineering, a.s.; Director at M-Invest Slovakia Mierova, s.r.o.; Director at M-Invest Sovaria Trnavska, s.r.o.; Director at M-Invest Slovakia, s.r.o.; Member of the Supervisory Board of Bergamon, a.s.; Representative of Mota-Engil Engenharia e Construção – Civil Engineering and Construction- Slovakia Branch Office.

From January 2006 to December 2006 – Controller at Mota-Engil Central Europe, SA.

From July 2004 to December 2005 – Assistant to the Chief Finance Officer at Mota-Engil Engenharia e Construção, SA – Civil Engineering and Construction - Angola Branch Office. From July 2003 to June 2004 – International Business Technician at Mota-Engil Engenharia e Construção, SA. – Civil Engineering and Construction

Executive Board Director - Dr. Alfredo César Vasconcellos Navio**Date of Birth:** 15 January 1967**Education:**

1st Degree in Informatics and Management by Universidade Portucalense Infante Dom Henrique (1988-1994) - Portucalense University Infante Dom Henrique.

Post-graduate Degree in Finance by Universidade Portucalense Infante Dom Henrique (1998-2000). - Portucalense University Infante Dom Henrique

Professional Career:

(Since 2012) Member of STCP's Board of Directors (Sociedade de Transportes Coletivos do Porto, SA.)

(Since 2012) Member of OPT's Board of Directors (Optimização e Planeamento de Transportes, SA.) - Transport Planning

(Since 2012) Member of TRANSPUBLICIDADE's Board of Directors (Publicidade em Transportes) – Advertising on Transport (2010-2012) Chief Commercial and Technical Officer at the Real Estate Unit of EP- Estradas de Portugal, SA. – Portuguese Road Company

(2009-2010) New Businesses Planning and Development Technician at Delegação Regional do Porto da EP- Estradas de Portugal, SA. - Porto Regional Office of Portuguese Road Company (2004-2008) Head of Administration and Finance Division at Direção de Estradas do Porto do IEP – Instituto das Estradas de Portugal - Directorate of Porto Roads of Portuguese Road Institute.

(2002-2004) Director of Administration and Finance Division at Direção de Estradas do Porto do ICERR – Instituto para a Conservação e Exploração da Rede Rodoviária – Directorate of Porto Roads of ICERR - Institute for the Maintenance and Operation of Road Network.

(2000-2002) Organisation, administrative and financial control of contract processes and provision of technical support to computer users at Direção de Estradas do Porto of ICERR - Instituto para a Conservação e Exploração da Rede Rodoviária - Directorate of Porto Roads of ICERR – Institute for the Maintenance and Road Network Operation.

(1997-2000) Technical support to the Accounting Information System and Contract Information System at Direção de Estradas do Porto da JAE – Junta Autónoma de Estradas e ICERR – Instituto para a Conservação e Exploração da Rede Rodoviária - Directorate of Porto Roads of JAE – Autonomous Public Body for Road Construction, Repairs and Maintenance and ICERR - Institute for the Maintenance and Operation of Road Network.

(1995-1997) Technical Support to the Accounting Information System at Direção de Estradas de Viana do Castelo da

JAE - Junta Autónoma de Estradas - Directorate of Viana do Castelo Roads of JAE - Autonomous Public Body for Road Construction, Repairs and Maintenance.

(1995) Consultant providing guidance and support to computer users at COMPTA RH — Organização e Gestão de Recursos Humanos, SA. - Organisation and Management of Human Resources.

Other Activities:

(Since 2011) 1st Secretary of the General Meeting of ADE-PORTO – Porto Energy Agency.

(2011-2013) 1st Secretary of Bonfim Parish Council Meeting.

(2009-2011) Member of Bonfim Parish Council Meeting.

(2011-2012) Chair of the Board of the General Meeting of ESV - Expansión Sin Vello - Estética, SA. - Esthetics

(2007-2010) Chair of the Supervisory Board of the Leisure and Cultural Centre of EP's Staff - EP – Estradas de Portugal, EPE – Portuguese Road Company

Non Executive Board Director - Dr. António José Lopes**Date of Birth:** 23 November 1957**Education:**

1st Degree in Economics by Universidade do Porto (1982) - University of Porto

Post-graduate Degree in Executive Management by Faculdade de Ciências Económicas e Empresariais da Universidade Católica Portuguesa (1998/1999) Faculty of Economic and Entrepreneurial Sciences of the Catholic University of Portugal.

Professional Career:

Since July 2012, Board Director and Member of the Executive Committee at Metro do Porto, SA – Porto Light Rail

2010 – General Manager of Tablestock, Serviços para Hotelaria e Restauração – Hotel and Restaurant Services.

1998–2010: Director of Central Purchasing & Procurement and Information System at Vista Alegre Atlantis S.A.

1997–1998: General Manager at Empresa Continental Importadora, S.A.

1990–1997: Chief Administrative and Finance Officer at EC- Material Eléctrico, Grupo General Electric – Electrical Equipment, General Electric Group, from January 2006 onwards the company name having been changed to GE PowerControlsPortugal.

1986–1989: Head of Control and Management at - Empresa Electro-Cerâmica, Grupo Vista Alegre - Electro-Ceramic Materials - Vista Alegre Group.

1985–1986: Assistant Finance Director at STCP - Serviços de Transportes Coletivos do Porto

4.3 CORPORATE GOVERNANCE MEMBERS' REMUNERATION

4.3.1 Remunerative Status

Term 2012/2014 Board of Directors

Unanimous Deliberation in writing of 29 June 2012 sets out the remuneration paid to Board Members according to By-laws of Board Members of state owned public companies as laid down by Decree-Law n° 8/2012, of 18 January, RCM n° 16/2012, of 14 February and RCM n° 36, of 26 March, running as follows:

> Executive Board Members: Gross value: 3.662,56 €, supplemented by 40% corresponding to a fixed allowance stipulated for representation of the company, amounting to 1.465,02 €.

To these gross values, 5% and 10% reduction will apply respectively, in accordance with the procedure laid down in article 12° of law n° 12-A/2010 and article 19°, n°1, subparagraph c) and n° 9, subparagraph c) of law n° 55-A/2010, running as follows:

Executive Board Members: Net value: 3.131,49 €, supplemented by 40% corresponding to a fixed allowance stipulated for representation of the company amounting to 1.252,60 €.

To this remuneration, other reductions that may legally be determined, will apply.

> In compliance with provisions laid down in n° 1 of article 21° and in article 29° of State Budget for 2012, during the period of time in which the Programme for Economic and Financial Assistance – PEFA is in force, neither holiday nor Christmas bonuses will be granted. Same procedure will apply to variable performance-based awards.

Unanimous Deliberation in writing of 10 August 2012 sets out the remuneration paid to Board Members according to Bylaws of Board Members of state owned public companies as laid down by Decree-Law n° 8/2012, of 18 January, RCM n° 16/2012, of 14 February and RCM n° 36, of 26 March, running as follows:

> Non-Executive Chairman: Gross value 1.144,55 €.

Non-Executive Board Member: Gross value 915,64 €.

However, the newly appointed Board Members do not earn any remuneration, once they are remunerated as executive board directors of Metro do Porto, S.A..

It is established that to the gross values, 5% and 10% reduction will apply respectively, in accordance with article 12° of law n° 12-A/2010, of 30 June and article 19°, n°1, subparagraph c) and n° 9, subparagraph q) of law n° 55-A/2010, of 31 December and of law n° 64-B/2011, of 30 December, or any other reductions that may legally be determined.

> In compliance with provisions laid down in n° 1 of article 21° and in article 29° of Law n° 64-B/2011, of 30 December, during the period of time in which the Programme for Economic and Financial Assistance – PEFA is in force, neither holidays nor Christmas bonuses are awarded. Same procedure will apply to variable performance-based awards.

By deliberation taken at STCP's General Meeting held on 18 June 2013 regarding remuneration policy of STCP's Governing Bodies, item n° 5 runs as follows:

> As provided for in article 37° of Law n° 66-B/2012, of 31 December, it is determined that during the period of time in which PEFA Programme is in place, management bonuses will not be awarded. Holiday pay will be made according to provisions set forth in the amending budget and Christmas bonus will be paid monthly in twelfths. Remuneration to be actually earned by the members of the Board of Directors should not exceed the amounts set out until 01-03-2012 date on which RCM n° 16/2012 began to take effect.

At the above mentioned STCP's General Meeting, item n° 8, it was established that "executive Board members are afforded the following benefits":

> Social overall benefits granted to all employees of the company;

> Maximum limit covering monthly average fuel costs and toll charges for service vehicles corresponding to one fourth of the monthly allowance amount stipulated for representation of the company pursuant to n° 3 of article 33° under Bylaws of Board Members of state owned public companies;

> Maximum limit covering expenses incurred with communications including mobile phone, home phone and internet whose maximum amount should not exceed € 80,00 as per procedure laid down in n°s 3 and 4 of article 32° under Bylaws of Board Members of state owned public companies.

It is not allowed:

- > Meal allowance exceeding the amount set out by Ordinance n° 1553-D/2008 of 31 December amended by Ordinance n° 1458/2009 of 31 December in compliance with n° 1 of article 39° under Law n° 66-B/2012 of 31 December;
- > Use of credit cards and any other payment instruments for the purpose of incurring expenses arising from acting on behalf of the company according to provisions laid down in n° 1 of article 32° under Bylaws of Board Directors of state owned public companies;
- > Reimbursement of any expenses that may be considered as expenditure incurred with personal representation of the company as set forth in n° 2 of article 32° under Bylaws of Board Members of state owned public companies.

Term for 2009/2011

It is set out by Minutes n° 1 of 29 June 2009 of the Remuneration Committee concerning STCP.

Board of the General Meeting

Chairman – Attendance voucher in the amount of € 615,98 euros (six hundred fifteen euros and ninety eight euro cents).
Deputy Chair – Attendance voucher in the value of € 466,56 euros (four hundred sixty six euros and fifty six euro cents).
Secretary – Attendance voucher amounting to € 334,4 euros (three hundred thirty four euros and fourteen euro cents).

Supervisory Board

Chairman:

Gross monthly remuneration corresponding to 20% of the gross monthly remuneration granted to the Chairman of the Board of Directors paid 14 times a year.

Members:

Gross monthly remuneration corresponding to 15% of the gross monthly remuneration granted to the Chairman of the Board of Directors paid 14 times a year.

In the year of 2013, for calculation purposes remuneration of the Supervisory Board Members was based on the Executive Chairman's remuneration, as provided for in RCM n° 16/2012, of 14 February (€ 6.409,48) after reductions having been imposed as expressly set forth in Law n° 12-A/2012 of 30 June and State Budget OE/2013, the base of incidence standing at € 5.480,11).

Statutory Auditor

By unanimous deliberation in writing taken by the shareholder, the Portuguese State, on 9 September 2009, under proposal of the Supervisory Board, Sociedade António Magalhães e Carlos Santos, S.R.O.C., represented by Dr. Carlos Alberto Freitas dos Santos, was elected as the Statutory Auditor of STCP, S.A. for the three-year period 2009/2011.

The established remuneration of the Statutory Auditor stands at fifteen thousand and six hundred euros of fees, payable in monthly twelfths of one thousand and three hundred euros, the respective contract having been concluded.

In 2013 remuneration reduction was applied according to the provisions laid down in the State Budget OE/2013

4.3.2 Remuneration and other Benefits

Board of the General Meeting

Term (Start - End) ⁽³⁾	Position	Name	Fixed Remuneration (€) ⁽¹⁾	Annual Remuneration (€)		
				Gross ⁽²⁾	Reductions (State Budget)	Gross after reductions
2009-2011	Chairman	Rui de Carvalho Araújo Moreira ⁽⁴⁾	616	616	0	616
2009-2011	Deputy-Chair	Maria Teresa Vasconcelos Abreu Flor Morais	467	467	0	467
2009-2011	Secretary	Carlos Maria Rocha Pinheiro Torres	334	334	0	334

(1) - Fixed amount of attendance voucher

(2) - Before remuneration reductions

(3) - Elected for 2009 -2011 Term continuing to perform their roles

(4) - Resigned his position with effect from 14 October 2013

Conselho de Administração

Term (Start - End)	Position	Name	Description	
			Doc	Date
2012-2014	Non Executive Chairman	João Velez Carvalho	DUE ⁽¹⁾	10-ago-12
2012-2014	Executive Board Member	André da Costa Figueiredo e Silva Sequeira	DUE ⁽²⁾	29-jun-12
2012-2014	Executive Board Member	Alfredo César Vasconcellos Navio	DUE ⁽²⁾	29-jun-12
2012-2014	Non Executive Board Member	António José Lopes	DUE ⁽¹⁾	10-ago-12

(1) - Unanimous Deliberation in Writing of 10 August 2012

(2) - Unanimous Deliberation in Writing of 28 June 2012

Name	Bylaws of Board Members of state owned companies			
	Fixed	Classification	Remuneration	Representation allowance
João Velez Carvalho ⁽¹⁾	Yes	C	1.145	0
André da Costa Figueiredo e Silva Sequeira	Yes	C	3.663	1.465
Alfredo César Vasconcellos Navio	Yes	C	3.663	1.465
António José Lopes ⁽¹⁾	Yes	C	916	0

[1] - Do not earn any remuneration once they are paid by Metro do Porto, S.A company as Executive Board Directors

Name	Annual Remuneration (€)					
	Variable	Fixed *	Other	Reduction Law 12-A/2010	Reduction (State Budget)	Gross Remuneration after Reductions
João Velez Carvalho ⁽¹⁾	0	0	0	0	0	0
André da Costa Figueiredo e Silva Sequeira	0	68.856	0	3.443	6.462	58.952
Alfredo César Vasconcellos Navio	0	68.856	0	3.443	6.462	58.952
António José Lopes ⁽¹⁾	0	0	0	0	0	0

[1] - Do not earn any remuneration once they are paid by Metro do Porto, S.A. company, as Executive Board Directors

* Includes: remuneration + representation allowance

Name	Meals Allowance	Social Benefits (€)				
		Social Protection Scheme Identify	Value	Health Insurance	Life Insurance	Personal Accident Insurance
João Velez Carvalho ⁽¹⁾	0			0	0	203
André da Costa Figueiredo e Silva Sequeira	1.680	Social Security	15.243	0	0	175
Alfredo César Vasconcellos Navio	1.681	CGA	12.887	0	0	175
António José Lopes ⁽¹⁾	0			0	0	175

[1] - Do not earn any remuneration once they are paid by Metro do Porto, S.A. company as Executive Board Directors

Name	Costs Incurred with Mobile Communications (€)		Notes
	Monthly Limit Stipulated	Annual Value	
João Velez Carvalho ⁽¹⁾		0	
André da Costa Figueiredo e Silva Sequeira	80	499	
Alfredo César Vasconcellos Navio	80	780	was charged the amount exceeding monthly limit
António José Lopes ⁽¹⁾		0	

[1] - Do not earn any remuneration once they are paid by Metro do Porto, S.A. company as Executive Board Directors

Name	Vehicle Allocated	Conclusion of Contract	Reference Value of Vehicle	Costs Incurred with Vehicles					
				Mode of Use (1)	Year Beginning	Year End	Nº of Installments	Monthly Lease Value	Annual Value
André da Costa Figueiredo e Silva Sequeira	Yes	Yes	38.513	ALD	2009	2014	48	851	10.215
Alfredo César Vasconcellos Navio	Yes	Yes	44.332	ALD	2010	2014	48	913	10.951

ALD-Vehicle Lease Contract

Name	Monthly Limit Stipulated for Fuel and Toll Charges	Annual Expenditure incurred in Vehicles(€)				Notes
		Fuel	Toll Charges	Other Repairs	Insurance	
André da Costa Figueiredo e Silva Sequeira	366	1.681	75	0		
Alfredo César Vasconcellos Navio	366	2.682	360	574		

Measures were taken according to provisions laid down by article 32º of Bylaws of Board Directors of state owned public companies as republished by Decree-Law nº 8/2012, of 18 January as regards in particular:

> The use of credit cards and any other payment instru-

ments for the purpose of incurring costs associated with the representation of the company – Board Members do not hold any credit card.

> Reimbursement of any expenses that may be considered as expenditure incurred with personal representation of the company - No reimbursements were made in this context.

Supervisory Board

Term (Beginning - End ⁽²⁾)	Position	Name	Description		Monthly Fixed Remuneration(€)
			Doc ⁽¹⁾	Date	
2009-2011	Chairman	Pedro Romano Martinez	AG	06-04-2009	1.096
2009-2011	Executive Permanent Member	Ana Alexandra Filipe Freitas	AG	06-04-2009	822
2009-2011	Executive Permanent Member	Maria Manuela Marques Lima (3)	AG	06-04-2009	822

(1) - General Meeting held on 6 April 2009 (minutes nº 45, item 7)

(2) - Elected for 2009 -2011 Term continuing to perform their roles

(3) - Resigned his position with effect from 1 December 2013

Nome	Annual Remuneration (€)		
	Gross (a)	Reductions (State Budget)	Gross Remuneration after Reductions
Pedro Romano Martinez	15.344	0	15.344
Ana Alexandra Filipe Freitas	11.508	0	11.508
Maria Manuela Marques Lima	11.371	0	11.371

(a) Remuneration calculated based on the Executive Chairman's remuneration after reduction arising from Law 12-A/2012 and State Budget/2013

Statutory Auditor

Term (Beginning - End) ⁽²⁾	Position	Statutory Auditor Identification		Description		Remuneration (€)		N° of Mandates fulfilled in the company
		SROC/ROC		Doc ⁽¹⁾	Date	Fixed Limit	Agreed	
		Name	Number					
2009-2011	Statutory Auditor	António Magalhães e Carlos Santos, S.R.O.C.	53	DUE	09-09-2009	—	1.300	2

(1) - Unanimous Deliberation in Writing taken by Shareholder, the State on 9 September 2009

(2) - Elected for 2009 -2011 Term continuing to perform the role

Nome	Annual Remuneration (€)		
	Gross	Reductions (State Budget)	Gross Remuneration after Reductions
António Magalhães e Carlos Santos , S.R.O.C.	15.600,00	1.560,00	14.040,00

Received an additional remuneration of € 4.189 for auditing the consolidated accounts after enforcement of Law nº 66-B/2012 seeing that the other group companies have neither a supervisory board nor a statutory auditor, besides STCP, S.A..



4.4 MANAGEMENT OBJECTIVES AND ACHIEVEMENT LEVELS

Guiding principles and strategic guidelines for the 2012-2014 term are listed below in the context of the Strategic Plan for Transport - SPT, guidelines and measures laid down by Unanimous Deliberations in writing of 29 June and 10 August of 2012 having been added and Circular Letters from DGTF n° 7986 of 8 October and n° 8116 of 15 October 2012, pursuant to Normative Order n° 24-B/2012 from ministries of State and Finance and Economy and Employment of 19 December, as per State Budget for 2013 as well as 2013 Major Planning Options.:

1. Project for a single Board of Directors to be shared by both companies STCP and Metro do Porto, S.A..
2. Reduce staffing levels following an organisational redesign.
3. Project to merge STCP and Metro do Porto, S.A..
4. Carry out negotiations towards STCP's Subconcession Agreement.
5. Cost Reduction Programme in line with organisational redesign and effective staff resizing.

that the company consolidated and implemented through the Activities Plan and Budget for 2013, Redesign Plan of 30 October 2012 as well as Investment and Asset Disposal Plan for 2013 sent to the Supervising Ministries in their final version on 6 November 2012 as well as Management Contract.

Quantified goals achieved are thus shown below concerning management objectives in accordance with provisions set forth in article 38° of Decree Law n° 133/2013, of 3 October mentioned in the above referred documents:

Management Contract Objectives for 2012/2014

In 2012 indicators proposal to be included in management contracts for 2012-2014 to be agreed with Board Members was sent to the Supervising Ministries, having not yet been approved. These indicators and goals for 2013 were the following:

Indicators	Unit	Weight %	2013	
			Objective	Actual Results
Turnover	10 ³ €	10%	49.649	49.541
Operating Costs	10 ³ €	10%	58.302	58.684
EBITDAR Margin	10 ³ €	5%	5.544	5.510
Operating Costs per Passenger. km	€	5%	0,208	0,200
Cover Ratio	%	5%	85,2%	84,4%
Average Payment Period	days	5%	60	54
Occupancy Rate	%	5%	13,5%	13,9%
Commercial Speed	km/h	5%	15,26	15,76
Supply Quality Index	%	5%	98,5%	93,8%
Pollutant Emissions	(g CO ₂ /P.km)	5%	91,0	113,6
Launch of O&M Tender Process	%	15%	100%	60%
Organisational Redesign	%	15%	65%	50%
MP/STCP Merger	%	10%	55%	40%

- Compliance with indicators concerning Operating Costs, EBITDAR and Cover Ratio was affected seeing that:
 - objectives were based on non holiday pay reimbursement.
 - In 2012 costs incurred with the right to holiday pay were not recognised, these costs having been added to Expenditure of 2013.
 These effects were considerably made worse due to subsequent failure to plan staff resizing.
- Supply quality index was affected owing to the increase of complaints.
- Alteration was made to the calculation methodology of the objective of emissions of pollutants and where it is mentioned 91,0 should be considered 115,1.
- Operation and maintenance competitive tender is under consideration by the supervising ministry integrated into the general process of the transfer of Lisbon and Porto transport systems to the private initiative, not having been possible its launch in the year of 2013.
- With regard to the organisational redesign and merger, it will entirely take place only when the supervising ministry sets out functions and responsibilities to be assigned to the company arising from the referred restructuring and merger policy.

Activities Plan and Budget for 2013:

Costs Reduction Programme (CRP)

Under the application of measures to cut down on operating costs in accordance with circular letter n° 7896 of 8 October 2012 regarding instructions for the preparation of 2013 Budget, it should be noted the total achievement of targets imposed aiming at reducing operating costs in 2013 compared to 2010. The headings Cost of Goods Sold and Materials Consumed (CGSMC), External Supplies and Services (ESS) and Costs Incurred with Personnel deducted from Severance Payments (SP) arising from employment contract terminations peaked at 57,6 million euros in 2013, a 21,2% decline having occurred towards 2010, totaling about 73 million euros.

The weight of Costs on Turnover decreased 22% from 2010 to 2013.

Plano Redução de Custos (PRC)

CRP	2009	2010	2011	2012	2013	Δ 2013/10		Δ 2013/10 Objective	Compliance [Y/N]
						Abs.	%		
CGSMC (m€) [1]	1.575	1.421	1.545	1.260	1.341	-80	-5,6%		
ESS (m€)[2]	31.603	32.611	32.622	31.021	24.847	-7.765	-23,8%		
Travels /Accommodation (m€)	21	16	9	2	2	-13	-85,4%	-50%	S
Daily Allowances (m€)	9	3	2	0	0	-2	-91,3%	-50%	S
Communications (m€)	431	441	425	361	197	-244	-55,3%	-50%	S
Costs incurred with Personnel (m€) [A]	40.731	39.999	36.934	30.954	31.638	-8.361	-20,9%		
Severance Payments [B]	2.193	954	2.872	1.820	211				
[3]= [A] - [B]	38.538	39.045	34.062	29.134	31.427	-7.618	-19,5%		
Total [4]= [1] + [2] + [3]	71.716	73.077	68.229	61.415	57.615	-15.462	-21,2%	-15%	S
Turnover (T) (m€)	51.523	52.745	54.214	53.429	49.541	-3.205	-6,1%		
Weight of Costs [4] no VN (%)	139%	139%	126%	115%	116%				

Turnover = Sales and Services Provided + Other Income and Gains

Reduction of staffing levels and director level positions

List of Staff	2010	2011	2012	2013
Number of Staff without governing bodies [1]	1.513	1.438	1.287	1.245
Number of director level positions without G.B. [1]	19	16	13	13
Number of governing bodies [1]	12	12	11	11
Costs incurred with staff [2]	40.019.746	36.952.003	30.971.933	31.656.362
Costs incurred with governing bodies [3]	584.682	504.049	329.330	223.940
Costs incurred with senior management	1.433.301	1.287.293	784.342	850.869
Costs incurred with staff with neither governing bodies nor senior management	37.047.400	32.288.693	28.038.423	30.370.330
Employment Contract Terminations / Severance Payments (€)	954.363	2.871.968	1.819.838	211.223

[1] - Company's average number

[2] - Total account 63 and Statutory Auditor's remuneration are accounted for in account 6221

[3] - Includes Statutory Auditor's remuneration which is accounted for in account 6221

With regard to the number of staff as at 31 December 2013 and following the application of article 63° of Law n° 66-B/2012 (SB) it was found that objectives are largely exceeded concerning the reduction of director level positions once with reference to the total number of staff, they stand slightly below thus, hitting 2,5% decrease towards 2012 and nearly 17,7% in comparison with 2011.

Particularly noteworthy is that STCP has been reducing the number of employees for a couple of years having declined by over 50% (1.550 employees) in the last 15 years.

Financial Risk Management

As provided for in Order n° 101/2009 from the Secretary of State to the Treasury and Finance of 30 January and in compliance with maximum limit of debt increase set out for 2013 in Order n° 155/2011 from the Minister of State and Finance of 28 April:

Years	2009	2010	2011	2012	2013
Financial Costs (€)	9.215.057	8.318.389	14.437.861	20.951.696	21.350.025
Average Financing Rate (%)	3,20%	3,01%	3,90%	4,75%	4,48%

Remunerated Liabilities (€)	2012	2013	Absol. Variation	Var. %
Non Current Liabilities	357.850.103	215.150.861	-142.699.242	-39,9%
Loans Received	237.825.729	113.460.608	-124.365.121	-52,3%
Current Liabilities	143.747.409	298.794.704	155.047.295	107,9%
Loans Received	132.838.863	282.474.435	149.635.572	112,6%
Total Remunerated Liabilities	370.664.592	395.935.043	25.270.451	6,8%

STCP ended the year of 2013 recording a total remunerated debt in the amount of 395,9 million euros having occurred a 6,8% increase towards 31 December 2012.

Debt limit of 4% set out for 2013 by Order n° 155/2011 from the Minister of State and Finance of 28 April was exceeded mainly owing to BNP Paribas swap *Termination Agreement* and holiday pay resulting from Judgement n°187/2013 delivered and decision made by the Constitutional Court. Excluding these two effects considered as exceptional and not budgeted, debt increase would correspond to 4%.

Principle of Unity of Treasury of the State

Pursuant to provisions laid down by article 124° of Law n° 66-B/2012, of 31 December an exception scheme was applied to STCP according to Order n° 2429/13 from Secretary of State to the Treasury of 19.12.2013.

No financial investments have occurred.

Evolution of Medium Term Payment (MTP) to Suppliers and Overdue Debts

Evolution of Medium Term Payment to Suppliers in accordance with RCM n° 34/2008, of 22 February, containing amendment introduced by Order n° 9870/2009 of 13 April and information on late payments ("arrears") as set out in Decree-Law n° 65-A/2011, of 17 May as well as strategy adopted towards respective decrease:

PMP (days)	2013				2012				Var. (%) 4 th 2013/4 th 2012
	1 st	2 nd	3 rd	4 th	1 st	2 nd	3 rd	4 th	
Deadline	47	52	53	54	49	46	47	46	18%

At the end of the 4th quarter of 2013, MTP was 54 days. In similar period of 2012, it was 46 days thus, recording a 18% rise compared to the year before.

MTP, i.e. the average settlement time is calculated on the basis of the ratio between average payables and the value of goods and services purchased.

MTP is on the one hand affected by the outstanding debts to suppliers and miscellaneous payables and acquisition of goods and services. In 2013 outstanding amounts fell by 8% towards 2012 while the acquisition of goods and services recorded a 22% reduction. MTP increased by about 8 days, as a result.

Overdue Debts (euros)	0-90 days	Outstanding debts according to Art.1° DL 65-A/2011			
		90-120 days	120-240 days	240-360 days	> 360 days
Acquisition of Goods and Services	263.968	17.328	66.004	311.846	31.373
Acquisition of Capital Goods	16.594				
Total	280.562	17.328	66.004	311.846	31.373

In accordance with Article 1° of Decree Law 65-A/2011 outstanding debts stand at 426,6 thousand euros. However, nearly 369 m€ (86%) of these debts refer to business transactions among STCP's associated companies namely between TIP (77%), Metro do Porto (9%) and STCP Serviços

(1%). These companies represent at the same time STCP's accounts receivable and payables.

The remaining amount refers to invoice checking and settlement.

4.5 INTERNAL AND EXTERNAL REGULATIONS

STCP is ruled by its articles of association approved by Decree-Law n° 202/94 of 23 July, amended by Declaration n° 101/94, complemented and clarified regarding lines operated by STCP covering trolley car or tram mode by Decree-Law n° 379/98, of 27 November and by Companies Code.

Seeing that the company's sole shareholder is the State, STCP is subject, where applicable, to regulations and guidelines outlined in the State Corporate Sector set out in Decree-Law n° 133/2013, of 3 October (RJSPE), in Law n° 12-A/2010, Law n° 66-B/2012, of 31 December as well as Judgment n°187/2013 of 22 April delivered by the Constitutional Court.

STCP complies with provisions set out in Order n° 14.277/2008 of 23 May concerning special information duties regularly reporting to the Directorate General to the Treasury and Finance and to Inspection General for Public Financial Control Audit through the Systems for the Collection of Economic and Financial Information (SIRIEF), the annual and pluri-annual activities plans, the annual budgets, including estimated financial operations with the State, the annual and pluri-annual investment plans and respective financing sources, the quarterly reports on budget execution accompanied by the reports of the supervisory board and the copies of the minutes of the General Meetings (GM).

The company calculates the average settlement time relative to payables in compliance with the provisions laid down by the Resolution of the Council of Ministers (RCM n° 34/2008, of 22 February (Pay on Time Programme), amended by Order n° 9870/2009 from Ministry of Finance and Public Administration of 6 April and Decree-Law n° 65 -A/2011 of 17 May (Pay on Time Programme – overdue debts report).

In terms of the legislative framework for companies of the State Corporate Sector, particular note should be made to the following legal instruments: Bylaws of the Board Members of state-owned public companies republished by Decree-Law n° 8/2012, of 18 January, the RCM n° 16/2012 of 14 February stating the criteria for the remuneration of Board Members of the state owned public companies and Law n° 59/2013 of 23 August laying down a scheme for the provision of information on remunerations, supplements and other key components of remuneration of the staff of state owned entities targeting respective analysis, characteristics and determination of appropriate remuneration policy.

The Resolution of the Council of Ministers - RCM n° 8/2011,

of 25 January – spelling reforms – determined the application of the spelling reforms as from January 1, 2012 to the Government and all departments and entities under the supervision of the Government.

As a company of the passenger public road transport sector, STCP is subject to the observance of the provisions in the following diplomas:

- > Decree n° 37272, of 31 December 1948, Regulation of Vehicle Transport and subsequent amendments.
- > Decree-Law n° 3/2001, of 10 January, Legal system or regime of access to the passenger road transport activity through means of vehicles with over nine seats
- > Law n° 72/2013 of 3 September – thirteenth amendment made to Traffic Regulations, approved by Decree-Law n° 114/94, of 3 May and first amendment to Decree-Law n° 44/2005, of 23 February.
- > Law n° 28/2006, of 4 July, Penalty system or regime applicable to infringements occurred in public passenger transport.
- > Resolution of the Council of Ministers RCM n° 45/2011 approving the Strategic Transport Plan (STP) for the period of 2011-2015.

The company is also covered by several diplomas under specific regimes:

- > Decree-Law n° 18/2008, of 29 January Public Procurement Code, for the acquisition of products, services and contract works with amendments made in the meantime.
- > On labour matters, the Company is essentially ruled by Company Agreements granted with the various trade unions, by Orders issued by the Board of Directors and by the internal Notices of the Company. Subsidiarily, the rules in the Labour Code, Law n° 7/2009, of 12 February and respective regulations are applicable in these matters.

For everything else, the Company commits to comply with legislation and regulation in force.

The company observes its Manual on Quality, Environment, and Security and Health at Work with the respective matrix of processes and corresponding procedures as well as internal procedures. It is also ruled by the Code of Ethics and Conduct and observes the Prevention Plan of Risks of Corruption and Related Infringements.

4.6 INFORMATION ON RELEVANT TRANSACTIONS WITH RELATED ENTITIES

Acquisition of goods and services to related entities

Entity	Description	Value (*)
TIP- Transportes Intermodais do Porto, ACE		1.361.390,84
	Commission on sales generated from single mode and intermodal fare pricing	1.111.475,00
	Single mode fare pricing validation fee	95.813,08
	Andante Tour ticket acquisition	127.806,00
	Supply contract for annual season tickets to STCP staff and relatives	26.296,76
METRO DO PORTO, SA		61.992,00
	Contract for the provision of legal services	44.280,00
	Casa da Musica Protocol - public transport interchange hub - parking spaces Occupancy	17.712,00
OPT-Optimização e Planeament de Transportes, S.A.		164.906,06
	Software maintenance	95.718,56
	Software production and alteration	50.737,50
	Development of mobile payment prototype - Mobipag application	18.450,00

(*) Values in euros including VAT

Sale of goods and services to related entities

Entity	Description	Value (*)
Metro do Porto, S.A.		285.465,30
	Rental of fractions and premises lending as well as related services	233.603,10
	Delivery of other services and several debits	51.862,20
TIP- Transportes Intermodais do Porto, ACE		39.694.056,39
	Revenue generated from STCP single mode and intermodal fare pricing and Euro ticket share	39.303.674,67
	Provision of checking services of intermodal fare pricing revenue	162.819,24
	Rental of fractions and premises lending as well as related services	114.379,99
	Commission on sales generated from intermodal fare pricing at STCP sales points	30.464,58
	Seconded staff and costs incurred	38.311,67
	Debit of governing bodies' remuneration	15.159,75
	Delivery of other services and several debits	29.246,49

(*) Values in euros including VAT

4.7 INFORMATION ON OTHER TRANSACTIONS

4.7.1 Procedures adopted on matters of acquisition of goods and services

According to procedures set in place in the company, goods and services are acquired through the consultation to three suppliers, at least. Exceptionally in the case of specific technical issues, whenever duly founded, there may be direct procurement. In accordance with the above mentioned procedures whenever determined by the Law, public tenders are launched.

Since 2010, Regulation for Suppliers has come into force in STCP which specifies the minimum legal criteria of requirements and good practices to be followed by providers of services and goods delivered to the company on safety and

hygiene at work domains.

The process of selection, evaluation and qualification of suppliers is set out in internal procedures, according to criteria enabling to objectively assess the fulfillment of the proposed commitments.

Procedures set in place in the company regarding acquisition of products and services are regulated in the matrix of procedures integrated in the Manual on Quality, Environment and Security and Health at Work.

4.7.2 Transactions outside market conditions

No situations occurred in this context

4.7.3 List of suppliers representing over 5% of the external supplies and services

5% ESS 2013 = 24.850.569,13 * 5%			1.242.528,46 €
Name	City	Address	Value (*)
Man Truck & Bus Portugal, Sociedade - Unipessoal, S.A.	Algés	Alameda Fernão Lopes, 16 9º Piso	6.639.215,99
Petróleos de Portugal - Petrolgal, S.A.	Lisboa	Rua Tomás da Fonseca, Torre C	6.732.171,10
Galp Gás Natural, S.A.	Lisboa	Rua Tomás da Fonseca, Torre C	5.473.188,32
Banco BPI, S.A.	Porto	Rua Tenente Valadim	1.538.898,56
Valpi Bus - Alberto Pinto e Filhos,	Paredes	Av. Joaquim Ribeiro da Mota, 256	1.452.097,00
Transp. Rodoviários S.A.			
TIP-Transportes Intermodais Porto, Ace	Porto	Avª Fernão de Magalhães 1862-9º	1.362.006,34
Total			23.197.577,31

(*) Values in euros including VAT

4.7.4 Public Contracting

In 2013 public tenders were launched, namely – International Public Tender nº 1/2013 for the Continuous Supply of Natural Gas for STCP's Fleet and Equipment Maintenance of the Gas Filling Station and International Public Tender nº CO/2013/158 for Insurance Policies and Services.

There were no contracts or agreements made over 5 M€.

4.7.5 Rationalisation of supply policy

Under the Major Options for 2013 Plan laid down by Law n.º 66-A/2012 of 31 December in respect of:

tract signing with National Agency for Public Purchases, E.P.E. During the year of 2013, no contracts have been awarded covered by this System.

> State owned Vehicle Fleet – during the year of 2013 new vehicles were not purchased by STCP.

The company has written off one vehicle corresponding to a 2% reduction of the total fleet not allocated to public service thus, standing at 55 vehicles on 31 December, including truck-cranes, car-towers and vans.

> National System of Public Purchases (NSPP) – In March 2011 STCP adhered to this System NSPP through con-

4.7.6 Institutional Publicity

Pursuant to nº 10 of the Deliberation of the Council of Ministers nº 47/2010, published in the 1st series of Diário da República of 25 June, STCP provides a summary information about some institutional publicity initiatives during the year of 2013, according to Appendix 1 of the Order nº 1246/2011 from the Office of the Minister for Parliamentary Affairs, published in the 2nd series of Diário da República of 14 January respective regulations and technical specifica-

tions being laid down in the ordinance from the Presidency of the Council of Ministers and Ministry of Finance and Public Administration nº 1297/2010, published in the 1st series of Diário da República of 25 June.

STCP's Annual Report and Accounts was not included in this scope, in accordance with the definition of institutional publicity included in item 2 of the Deliberation of the Council of Ministers nº 47/2010, of 25 of June.

Summary of institutional publicity initiatives developed in 2013

1) Annual expenditure incurred with Publicity distributed by quarters:

(values in euros without VAT)				
1Q2013	2Q2013	3Q2013	4Q2013	2013
0	40	2.500	2.258	4.799

Notes

Considering protocol with FAP, as per in the year of 2012 in the amount of 2.500 euros.

Considering a joint advertisement in Jornal de Notícias with Metro do Porto in the amount of 1.500 euros.

Considering the value incurred with publications required by law.

2) In the year of 2013 there were no initiatives over 15 thousand euros.

3) Total annual expenditure incurred with the media

(values in euros without IVA)	
Euronext Quotation Bulletin	115
Newspaper - Jornal de Notícias	684
Total per Media	799



4.8 SHAREHOLDER'S AND COURT OF AUDITORS' RECOMMENDATIONS

4.8.1 Shareholder's Recommendations

On 18 June the shareholder made the following specific recommendations to the "Board of Directors" at STCP General Meeting:

- i) comply with the objectives that have been set towards the reduction of the average settlement time to suppliers in accordance with provisions laid down by RCM n° 34/2008, of 22 February;
- ii) comply with the Principle of Unity of Treasury of the State.

Item i) this target was not met – see item 4.4 Evolution of Medium Term Payment (MTP) to Suppliers and Overdue Debts.

Item ii) this goal was achieved – see item 4.4 Principle of Unity of Treasury of the State.

4.8.2 Court of Auditors' Recommendations

Dissemination of the recommendations made to the company resulting from Audits conducted by the Court of Auditors, as well as measures taken following the adoption of the respective outcome.

In 2013 further to the Court of Auditors' request, the current situation was again evaluated about the measures adopted by STCP concerning the Court of Auditors' recommendations as a result from STCP's Audits performed on Urban Public Passenger Transport in the City of Porto - Report n° 23/2009 -2nd Department – running as follows:

1. *Make the necessary arrangements with TIP – Transportes Intermodais do Porto, ACE so that intermodal fare zone of Porto metropolitan area may be simplified making it more easily perceptible by users of the public transport network.*

As stated in our letter dated 31 March 2010 intermodal fare pricing system currently in place (combs zones/cell zones), was developed by a consulting company that specializes in public transport with the support of several operators involved. The study considered the *benchmarking* process of several existing systems in various cities of different countries. The great majority of fare pricing systems tend to be concentric in the main city centre and for this reason much more penalising for users of the outlying areas on the one hand because in the neighbouring areas the supply of transport service is

smaller than in central areas and on the other hand it is more financially penalising once journeys made in the farthest zones imply a longer distance travelled.

In September 2011 a Protocol was agreed between Porto Transport Metropolitan Authority – AMTP, ANTROP, CP, Metro do Porto, STCP and TIP, sponsored by the Secretary of State and Transport aiming at contributing to a single fare pricing common to all public transport operators of Porto Metropolitan Area. Under this protocol new private operators have adhered to andante fare pricing system thus, making a contribution to its extension and attractiveness either in geographical terms or in terms of service supply.

As for Andante Fare Zones, cost containment measures imposed to the companies of the State Corporate Sector resulted in funds originally planned by TIP – Transportes Intermodais do Porto, ACE for studies and development being allocated to permanent needs, the reason why this issue is under consideration and internal evaluation as far as TIP is concerned. It also should be noted that STCP has been taking steps leading to the improvement of information to be provided to customers so that it may contribute to a better clarification of andante fare pricing system through available information on STCP's website accessible at e-mail address: <http://www.stcp.pt/pt/viajar/tarifas>

2. *Promote a model of a common corporate communication shared among the remaining operating companies integrated into the intermodal system of Porto Metropolitan Area, concerning intermodal service delivered by them.*

Transport companies acting on their own initiative or working together with stakeholders, step up efforts towards the development of activities that may foster joint communication and publicize and encourage the use of public transport among customers.

Under this scope the following initiatives were taken forward and should be highlighted:

Campaign launched towards the implementation of Andante intermodal system

Joint Legislative Order n°1/2012 from the Ministry of Economy and Finance of 20 of January 2012 imposed the discontinuation of STCP's single mode fare pricing except tickets sold on board, in January 2013. Further to this Legislative Order the following measures have been adopted:

- > Over the year the company used a variety of means to raise customers awareness of the need of a shift towards Andante intermodal system until 31 December 2012;
- > During the months of November and December 2012, STCP ran an extensive communication campaign with the cooperation of TIP aimed to promote adherence to Andante intermodal system.

Nevertheless, Legislative Order nº 24-B/2012 from the Ministry of State and Finance and the Ministry of Economy and Employment published in Diário da República, 2nd series - N.º 245, of 19 December 2012 allowed the continuation of STCP's single mode fare pricing as far as the overall network season tickets are concerned.

Transport network maps - In August 2012, STCP produced a new version of the network map including Metro do Porto and CP-Porto services. A segmented version of this map is expected to be produced soon and will be displayed at bus stops and shelters.

Itinerarium.net - STCP redesigned the itinerarium.net website having relaunched it in December 2012 making far greater improvements, namely on the provision of intermodal information. GoBus Dynamic Information on Screens - STCP keeps these screens in operation which are installed at the 4 main light rail stations (Trindade, Casa da Música, S. Bento and Campanhã) displaying real time information on bus timetables, the project of which was launched in 2010.

Freshers' Pack - The three public transport operators (STCP, CP-Porto and Metro do Porto) together with TIP – Transportes Intermodais do Porto continued to welcome freshers attending the University of Porto and the Polytechnic Institute of Porto. The key objective of this initiative is to offer a kit composed of an Andante 24 Z3 card for travel that comes already pre-loaded with journeys covering Zone 3 for a 24-hour period and a leaflet with overall information on public transport accessibility to the Universities and Polytechnic Institutes as well as to more points of interest in the city of Porto. In 2012 the above mentioned operators produced a common information leaflet.

Junior University - STCP goes on cooperating in the management of the transport service for this event. Intermodal mobility has been given a major boost among young people participating in this initiative by working together with Metro do Porto and TIP and selling intermodal tickets.

Civitas ELAN Project - STCP took part in the development of a variety of technological tools for intermodal information under Civitas Elan Project whose partners in the city of Porto were: Porto City Hall (project manager), the Faculty of Engineering, the Faculty of Science of Porto University, Metro do Porto, ANTROP, OPT - Optimização e Planeamento de Transportes, S.A. as well as Fernando Pessoa University. The following technological tools were developed covered by this project: MOVE-ME.mobi mobile website application.

Infoboard - It consists of large electronic screens displaying real time information on services delivered by several transport operators.

Under Civitas project during the period between 2011 and 2012, STCP afforded close cooperation with Porto City Hall Mobility Assistance Services located at Hospital de S. João interchange hub by providing information on STCP's overall network.

3. *Share with the other public companies integrating the intermodal system of Porto Metropolitan Area whenever appropriate and feasible, the definition of the service planning thus, enhancing respective complementarity.*

STCP goes on taking measures towards its network redesign based on the complementarity to Metro do Porto network.

As metro expanded its network as occurred in 2011 with the opening of the Orange Line (From Dragão to Fânzeres), STCP made supply adjustments either in terms of route alterations or in terms of timetables and location of the bus stops so that intermodal system may be given a massive boost.

The Transport Strategic Plan (RCM nº 45/2011, published in D.R. 1st series nº 216, of 10 November 2011) targeted the complementarity between STCP's network and the network of Metro do Porto. In the section 4.5.4.3 — Metro do Porto and STCP, it is mentioned: “ Metro do Porto's and STCP's network as well as the network of other public transport operators should complement each other rather than compete with each other.”

Though supply redesign has occurred in 2007, a part of STCP's network operates in competition with other operators and with Metro do Porto.

The establishment of a working group is already underway to focus on the Porto transport network redesign in line with Porto Transport Metropolitan Authority that may comply with the following targets:

Complementarity between Metro do Porto and STCP and other operators as well;

Network dimensioning according to current and future origin/destination route flows; Restructuring of Metro do Porto operation model by adapting supply to both existing and potential demand;

Increase of STCP commercial speed da STCP;

Non competition among operators when operating suburban connections;

Adoption of international best practices making supply adjustments in segments and in periods of low demand, to the most efficient mode of transport in order to meet citizens' mobility needs.

Pursuant to Order nº 13.370/2011, of 22 September from SEOPTC a working group was set up under the supervision of Dr. Pedro Almeida Gonçalves integrating in the city of Porto, the Porto Transport Metropolitan Authority (AMTP), STCP, Metro do Porto, and the National Association of Road Heavy Duty Vehicles for Passenger Transport (ANTROP), aimed to put forward a proposal for the reconfiguration of public transport network in Porto Metropolitan Area to direct demand to Metro system and eliminate STCP's redundant procedures with Private Road Operators outside the exclusive area of the city of Porto. The works resulted in a final report delivered in 30 November 2011, containing proposals approved by the Supervising Transport Ministry in January 2012.

In compliance with decisions that have been taken, STCP met the following objectives:

- > In early 2012, the company defined and set up the supply of lines running in the Gaia municipality where there was a repetition of bus services operated along the same routes by other transport provider, frequencies having been reduced and a proposal for the coordination of timetables having been put forward.
- > Since 1 July 2012, contracts for the operation of lines 10, 55, 68, 69 and 70 agreed with Empresa de Transportes Gondomarense in Gondomar and line 64 with Pacense in Valongo, have been terminated, these services having started being run by respective private operators.
- > With reference to the municipality of Maia, the attempt of transferring the operation of lines (706 and 707) to the private operator A. Maia Transportes failed seeing that there was no full route concession agreement for the operation of these lines.
- > As regards V.N. Gaia municipality, STCP was not in a position to suspend the operation of ZF line once the private

operator Sequeira, Lucas, & Venturas could not ensure this bus service running at their own expense and risk.

- > In the municipality of Matosinhos the transfer process for the operation of lines to the private operator RESENDE is delayed once the proposal put forward by this operator does not meet essential conditions previously agreed.
- > STCP terminated the Cooperation Agreement for the operation of line 94 with Valpi in 1994, to take effect on 1 January 2013. Further to this Cooperation Agreement termination, parties involved tried to find a more consensual solution. STCP and Valpi signed a commitment agreement accordingly under the terms of which, exceptionally and on a temporary basis without any further purpose other than the purposes specifically stated there, line 94 continued to run from 1 to 31 January 2013 without any alteration. STCP and Valpi reached a Cooperation Agreement taking effect on 1 February, and ending on 31 December 2013, renewable for a period of 6 months pursuant to article 124 of the Regulation concerning Road Vehicle Transports. Porto Transport Metropolitan Authority has learnt of this Agreement for the operation of line 94 the service of which started to be run by STCP with number 700 and by Valpi with number V94. Commercial risk is taken by each of the companies under the scope of their own operation.

Particularly noteworthy is that in 2012, STCP hit 25,7 million vehicles/km travelled arising from supply restructuring.

4. *Urge all local City Halls to reduce barriers to access to bus stops and within interchange transport hubs zone thus, making these places easier to use for disabled passengers, those in wheelchairs or otherwise: older people, young children, etc. In the same way, comfort conditions of bus shelters and stops should be improved.*

In 2011, a rearrangement of bus stops at Hospital de S. João transport interchange hub was made on Porto City Hall's own initiative, in coordination with several operators and the Hospital. In 2012, STCP undertook a full revision project and improvement of intermodal information and signage jointly with Metro do Porto at Casa da Música interchange hub. In addition, in cooperation with Porto City Hall, STCP made alterations to bus services running to and from this interchange hub so that it could be possible for other international passenger transport operators to use it in line with the service provided by Metro do Porto and STCP.

Under the current macroeconomic framework and policy, particularly under which public transport companies and City Halls find themselves, guidelines have been released towards restrictions on investments which should be kept to the minimum required.

Thus, in recent years there has been a strong limitation to the promotion of measures recommended in this report.

STCP continuously evaluates bus stop waiting conditions trying to urge City Halls to take the necessary steps to improve the referred conditions. Attention should be drawn to the fact that some of the suggestions put forward by STCP come from its customers.

The project - a bus stop prototype for blind passengers – mentioned in our letter of 31 March 2010, is suspended due to cost containment measures.

5. *Spare no efforts so that investments may be encouraged in the construction and improvement of interchange hubs providing STCP's bus services.*

As already mentioned in the answer to previous recommendation, STCP has been subject to strong cost and investment containment measures, not enabling investments in the construction and improvement of interchange hubs delivering company's bus services.

However, under the scope of the working group already mentioned set up by Order nº 13.371/2011, from the Ministry of Economy and Employment aiming to put forward a proposal for the public transport network redesign in the Porto Transport Metropolitan Area, by the end of 2011 STCP also proposed to the Supervising Ministry, interchange hubs requirements definition at the entry points to the city of Porto, where bus lines running from outside Porto boundary should converge together with Metro and STCP routes and if possible, CP-Porto lines, this proposal having been approved.

Until now, the above mentioned interchange hubs were not implemented. STCP and Metro do Porto thus, conducted jointly a review of the works programme. In this way, both companies intensified their interest and commitment with competent authorities in the implementation of interchange hubs which have previously been planned.

6. *Make the necessary arrangements so that the number of services not provided by the company may be significantly reduced thus, increasing expected frequency compliance rate, as a result.*

With the purpose of improving compliance rate of services delivered to customers, STCP hired 20 new bus drivers in 2012, under full time fixed term employment contracts.

7. *Remain firmly committed and engaged so that 2007 Collective Bargaining Agreement may be signed by most of the trade unions representing workers at STCP.*

In recent years, negotiations between the company and Trade Unions have taken place targeting the signing of a single Collective Bargaining Agreement that has not yet been reached so far. Particularly noteworthy is the fact that negotiations between the current STCP's Board of Directors and Trade Unions are underway aiming at achieving the referred agreement.

8. *Ensure temporary employment contracts only in strict compliance with law whenever there is no other less unfavourable solution for the personnel.*

STCP has no employees holding any temporary employment contract.

9. *Consider the possibility of developing SAEIP system – Traffic Operations Support System and Information Delivery to Customers – intended to provide the most timely and accurate information possible to passengers.*

STCP has been making every effort for some years, targeting the integration of its information systems either through internal technical capabilities or counting on the support of external partnerships aiming at improving and diversifying information to provide to customers.

As regards customer information, particular note should be made of the following projects:

Public Information Displays (PID) – PID project consists of the installation of screens providing live bus timetables in public locations close to bus stops. Since 2010 a further 18 information displays were installed at the busiest bus stations serving the most crowded routes. Currently, 47 PID's are distributed by six municipalities of the Greater Porto operated by STCP – Porto, Matosinhos, Maia, Valongo, Gondomar and Vila Nova de Gaia.

New STCP website – was made available since December 2012 on the new STCP website which was until then, available only on the mobile through SMSBUS service as well as live bus timetables were also made available through several features:

- a. Search for timetables – by selecting a bus station and the next stops on <http://www.stcp.pt/pt/viajar/horarios/>
- b. Search for information on bus stations – at any point of the website whenever you select a bus stop (on a map, in a search box or the list of bus lines), and entering the page of bus stop details one can search for the next stops. See the example on: <http://www.stcp.pt/pt/viajar/paragens/?t=detalhe¶gem=JM1>
- c. An application that simulates the use of SMSBUS service on computer is being developed without entering STCP website.

GOBUS Dynamic Information on Screens project – In August of 2010 seven screen displays started providing information at the main light rail stations: Campanhã, Trindade, S. Bento and Casa da Música. These screens display real time information on buses running in close proximity to each station. Information provided is the same as the one shown on Public Information Displays and on SMSBUS service, further showing locations for each stop and respective codes targeting a more detailed guidance.

Infoboard - It is live information on bus timetables jointly provided by STCP and Metro do Porto, as well as planned schedules made available and displayed by private operators on screens installed at S. João Hospital waiting rooms and Francisco Sá Carneiro Airport, and also showing a schematic representation of several operators' services, including STCP's. Information on intermodal fare zones concerning occasional tickets – This project is underway.

An intermodal information project is being taken forward from each of the bus stops. This project aims to display this information at every bus stop complementary to the on board audible and visible announcements (in writing) whenever the bus is due at the bus station, warning the change of fare zone thus, ensuring customers that they are holding a valid and appropriate ticket for the zone where they find themselves.

Bus stop Information - STCP has been investing in bus stop information by using national technology such as maps, Spider Maps (maps specific to a local area) as well as bus stop timetables allowing customers to access schedule data for each bus station throughout the year which are also available on the new website of the company. On the website information is also provided on fare zones and shortly about validity of occasional tickets from each bus stop and regarding each bus line, in a fast and easy way.

TV and Wi Fi trial project launched on board - Since the end of 2010 until the end of 2012 a TV and Wi Fi trial project was

successfully launched on board 11 buses running on 207 line. The project known as SITMe, was based on an equipment designed by a Consortium involving Xarevion, INESC TEC and the University of Porto.

This project offers selected live news to the public by using georeferencing technology through SAE – Traffic Operations Support system.

10. *Streamline and disclose company's customers rights and responsibilities*

STCP continues to deliver information on “Conditions of Carriage” inside buses, at sales points and on its website.

These “Conditions of Carriage” set out the main rights and duties of passengers using public transport both by bus and tram. Accessible information on STCP's e-mail address: <http://www.stcp.pt/pt/viajar/tarifas/condicoes-de-utilizacao/>

4.9 IDENTIFYING MAIN RISKS FOR STCP'S OPERATING ACTIVITY

Identifying main risks for STCP's operating activity and for the future of the company

Main risks identified:

- > Non-existence of Public Service contracting
- > Increase of the Competitive System
- > Inefficiency of the supervising system regarding exclusivity that STCP maintains for public transport operation in the city of Porto
- > Non-existence of a solution for the economic and financial recovery
- > Instability of the financial markets
- > Instability of oil markets to which the main consumption of the company is indexed

Risk Management targets to ensure business sustained growth and safeguard the value of STCP through the adoption of best practices.

Risk management is implemented in STCP in a transversal specific way, depending on the type of risk, through its policy of integrated management for Quality, Environment and Security and Health at Work, all employees being responsible for reducing risk factors by minimizing their impact and identifying whenever possible, opportunities for improvements.

4.10 SUPERVISION AND INTERNAL CONTROL SYSTEM

In December 2008 the company achieved the Integrated Management System certification for Quality, Environment and Security and Health at Work (SIG-QAS), having been renewed in 2013 further to audits carried out by APCER, for Certification renewal purposes.

A Manual of Processes, Procedures and Internal Procedures was produced and widely disclosed. It is reviewed, if necessary. The company has an internal control system suited to its size and complexity: overall objectives are set every year which are evaluated on a monthly basis in the monthly management information by the Board of Directors.

Budget execution control reports are regularly made out.

Supervision roles, duly separated from executive management duties, are ensured by the Supervisory Board who oversees the company's activity and issues respective control and supervision reports.

Non Executive Board Directors continually oversee and evaluate company's management performed by the remaining Board Members.

The Management is supervised by the Ministries of Economy and Finance as well as by the Supervisory Board and a Statutory Auditor who, among many other attributions, may attend meetings of the Board of Directors. Both Court of Auditors and Inspectorate-General for Finance (IGF) perform supervision functions and financial control of the company, by decision of the Minister of State and Finance.

4.11 CODE OF ETHICS AND CONDUCT

Since the end of 2008 STCP has been issuing its own Code of Ethics and Conduct, which is available for wide consultation both on company's website for the general public as well as on Intranet for its staff.

This Code is a vital instrument for normative references to be observed across the entire company and also representing a number of requirements to be met by suppliers and service providers in their business relationship with STCP.

4.12 PREVENTION PLAN OF RISKS OF CORRUPTION AND RELATED INFRINGEMENTS

STCP is fully aware that corruption is a serious problem to the normal running of institutions activity. In December 2009 the company produced its Prevention Plan of Risks of Corruption and Related Infringements, following the recommendation of the Council for Prevention of Corruption.

STCP's Prevention Plan of Risks of Corruption and Related Infringements was sent to the above Council, to the Ministry of Public Works, Transport and Communications and also disclosed to the general personnel through its publication on the company intranet.

Prevention Plan of Risks of Corruption and Related Infringements was reviewed in June 2012.

4.13 PREVENTION OF CONFLICTS OF INTEREST (Articles 51° and 52° of the Decree-Law n° 133/2013 of 3 October)

Governing Bodies' Members abstained from intervening in decisions involving their own interests.

At the beginning of the term, Members of the Board of Directors declared to the Court of Auditors and Inspectorate General for Finance that they do not own any equity shares in the company, nor have they any relevant business relationship with suppliers, customers, financial institutions or with any other stakeholders likely to cause conflict of interests.

4.14 INFORMATION DISCLOSURE

STCP has complied with information disclosure requirements pursuant to provisions laid down in article 53° of Decree-Law n° 133/2013, of 3 October:

Information released on the State Corporate Sector website (www.dgtf.pt) on 31 December 2013:

Information on the State Corporate Sector (SCS) Website	Disclosure			Observations
	Y	N	N.A.	
Updated Bylaws (PDF)	X			
History, Overview, Mission and Strategy	X			
Company Summary File	X			
Company Identification				
Mission, Objectives, Policies, Public Service Obligations and Financing Model	X			
Governance Model / Governing Bodies' Membership:				
Governance Model (Governing Bodies' Membership)	X			
Fixed Remunerative Status	X			
Remuneration Received and Other Benefits	X			
Regulations and Transactions				
Internal and External Regulations	X			
Relevant Transactions with Related Parties	X			
Other Transactions	X			
Analysis of Economic, Social and Environmental Sustainability	X			
Assessment of Compliance with Principles of Good Governance (PGG)	X			
Code of Ethics	X			
Historic and Current Financial Information	X			
State Financial Effort	X			

Information disclosed on the company portal (www.stcp.pt) on 31 December 2013

Information on the Company Portal	Disclosure			Observations
	Y	N	N.A.	
Company Website	X			
History, Overview, Mission and Strategy	X			
Historic and Current Financial Information	X			
Organisational Chart	X			
Governing Bodies and Governance Model:				
Governing Bodies' Membership	X			
C.V. Details of the Governing Bodies' members	X			
Identification - Board of Directors' Responsibility Areas	X			
Remuneration of the Governing Bodies and Other Benefits	X			
Identification - Risk Control Systems	X			
Internal and External Regulations	X			
Transactions outside Market Conditions	X			
Relevant Transactions with Related Parties	X			
Analysis of Economic, Social and Environmental Sustainability	X			
Code of Ethics and Conduct	X			
Annual Report and Accounts	X			



4.15 COMPLIANCE WITH LEGAL REQUIREMENTS SUMMARY TABLE

Compliance with Legal Guidelines	Compliance			Quantification/Identification	Justification/Reference made to the Annual Report & Accounts item/point
	Y	N	N.A.		
Management Objectives / Activities Plans and Budget:					Management objectives suggested and not yet approved (see point 4.4. of the AR & A 2013)
Financial Risk Management	X			Financing average rate of 4,48%	Annual average weighted All-in (see point 4.4 of the AR & A 2013)
Debt Growth Limits		X		Absolute Variation of 25,3 M€ (+6,8%) in 2013 towards 2012	(see point 4.4 of the AR & A 2013)
Evolution of Medium-Term Payments to Suppliers		X		Variation of MTP to suppliers in 2013 towards 2012 (+8 days)	(see point 4.4 of the AR & A 2013)
Late Payments ("Arrears")	X			"Arrears" total amount of 426.550,68 € on 31 December 2013	Outstanding debts under the terms of Art.1° of DL 65-A/2011 (see point 4.4 of the AR & A 2013)
Shareholder's Recommendations on Approval of Accounts:					Mention measures adopted
"STCP's Board of Directors is required to make the necessary arrangements in order to":					(see point 4.8.1 of the AR & A 2013)
i) meet objectives of reduction of medium-term payments to suppliers as provided for in RCM n° 34/2008, of 22 February		X			(see point 4.4 of the AR & A 2013)
ii) meet the principle of Unity of Treasury of the State" Remunerations:	X				Exception Scheme-Order n° 2429/13-Secretary of State to the Treasury of 19.12.2013 (see point 4.4 of the AR & A 2013)
Remunerations:					
Non attribution of Management Performance Bonuses as set forth in art.° 37.° of Law 66-B/2012	X				(see points 4.3.1 and 4.3.2. of the AR & A 2013)
Governing Bodies - remuneration reduction as per provisions laid down in art.° 27.° of Law 66-B/2012	X			Total remuneration reduction in 2013 amounted to 14.483,34 €	(see points 4.3.1 and 4.3.2. of the Annual Report & Accounts)
Governing Bodies - 5% reduction according to article 12° of Law n.° 12-A/2010	X			Total Reduction in 2013 amounted to 6.885,62€	(see points 4.3.1 and 4.3.2. of the Annual Report & Accounts)
External Auditor - remuneration reduction as provided for in art° 75° of Law 66-B/2012			X		
Remaining Staff - remuneration reduction, in accordance with art.° 27° of Law 66-B/2012	X			Total Remuneration Reduction in 2013 amounted to 268.631,58 €	(see points 4.4 and 4.5 of the Annual Report & Accounts)
Remaining Staff - prohibition on remuneration increase under the terms of art. 35° of Law 66-B/2012	X				In spite of STCP having suspended the application of professional and career progression system published in the Work and Employment Bulletin as well as the application of seniority allowances evolution system as from 1 January 2011, due to the Application of the State Budget Laws for 2011, 2012 and 2013, it is not possible to quantify remuneration reduction owing to the complexity of its valuation (see points 4.4 and 4.5 of the Annual Report & Accounts 2013)
Article 32° of Bylaws of Board Members of state owned public companies					
Use of Credit Cards	X				Board Members do not hold any credit card (see point 4.3.2 of the Annual Report 2013)
Reimbursement of expenses incurred with personal representation of the company	X				No reimbursement of expenses has been made under this scope (see point 4.3.2 of the AR & A 2013)
Public Contracting					
Public Contracting Regulations met by the company	X				(see point 4.7.4 of the AR & A 2013)
Public Contracting Regulations met by associates			X		
Contracts subject to Court of Auditors' approval			X		

abbreviation: AR & A 2013 - Annual Report & Accounts 2013

Compliance with Legal Guidelines	Compliance			Quantification/Identification	Justification/Reference made to the Annual Report & Accounts item/point
	Y	N	N.A.		
Audits conducted by the Court of Auditors					
Recommendation 1	X			Report n° 23/2009-2nd section - STCP's Audits on Urban Public Transport in the City of Porto	(see point 4.8.2 of the Annual Report & Accounts 2013)
Recommendation 2	X				
Recommendation 3	X				
Recommendation 4	X				
Recommendation 5	X				
Recommendation 6	X				
Recommendation 7	X				
Recommendation 8	X				
Recommendation 9	X				
Recommendation 10	X				
Vehicle Fleet	X			Variation of -2% in 2013 of the total number of vehicles used by the company in relation to 2012	(see point 4.7.5 of the Annual Report & Accounts 2013)
State owned Public Companies Operating Costs (article 64° of Law n° 66-B/2012)	X			Reduction of 20% in 2013 of Operating Costs compared to 2010	(see point 4.4 of the Annual Report & Accounts 2013)
Reduction of Staffing Levels (article 63° of Law n° 66-B/2012)					
N° of Staff		X		Var. of 2,5% towards 31.12.2012 and 18% in comparison with 1.01.2011	(see points 4.4 and 3.5 of the Annual Report & Accounts 2013)
N° of Director Level Positions	X			Var. of 8% compared to 31.12.2012 and 35% in relation to 1.01.2011	(see point 4.4 of the Annual Report & Accounts 2013)
Principle of Unity of Treasury (article 124° of Law 66-B/2012)	X				Exception Scheme - Order n° 2429/13-Secretary of State to the Treasury of 19.12.2013 (see point 4.4 of the Annual Report & Accounts 2013)

4.16 PRINCIPLES OF GOOD CORPORATE GOVERNANCE DETAILED TABLE

	Corporate Governance Report	Identification		Disclosure		Pages of the Report	Observations
		Yes	No	Yes	No		
I	Mission, Objectives and Policies						
1.	Indication of the mission and the way how it is pursued as well as an overview and guiding principles of the company.	X		X		3	
2.	Policies and steps taken under the scope of the strategy set out.	X		X		3-4	
3.	Indication of objectives and respective achievement levels and also justification for the observed deviations as well as corrective measures applied or to apply.	X		X		4-7	
4.	Indication of key factors which company results depend on.	X		X		7	
II	Capital Structure						
1.	Capital Structure	X		X		7	
2.	Eventual share transfer and /or ownership limits	X		X		7	
3.	Acordos parassociais.	X		X		8	
III	Shareholdings and Bond holdings						
1.	Natural persons (governing bodies) and/or corporate bodies (Company) membership who directly or indirectly have shareholdings in other entities and detailed capital and voting percentage.	X		X		8-9	
2.	Shareholdings in any entities of associative or foundation nature	X		X		9-10	
3.	Provision of financial guarantees or assumption of debts or liabilities from other entities	X		X		10	
4.	Information on the number of shares and bonds held by both board members and supervisory board	X		X		10	
5.	Information on eventual significant commercial relationships between shareholders and the company	X		X		10	
6.	Identification of methods adopted aiming at preventing conflicts of interest.	X		X		10-11	
IV	Governing Bodies and Committees						
A.	Board of the General Meeting						
1.	Board of the General Meeting membership, term and remuneration.	X		X		11	
2.	Identification of shareholders' deliberations.	X		X		12	Not applicable
B.	Administration and Supervision						
1.	Corporate Governance Model adopted	X		X		12	
2.	Statutory Rules of procedures applicable to the appointment and replacement of Corporate Governance members.	X		X		12	
3.	Membership, length of term, number of permanent members.	X		X		12-13	
4.	Identification of executive and non executive Board members and independent members of the Supervisory Board.	X		X		13-14	
5.	Curriculum Vitae details of each member.	X		X		14-17	
6.	Usual and relevant family, professional or commercial members' relationships with shareholders who own a qualified stake of over 2% of the voting rights.	X		X		17	Not applicable
7.	Organisational structure charts representing assigned roles and responsibilities of governing bodies' members.	X		X		17-19	

	Corporate Governance Report	Identification		Disclosure		Pages of the Report	Observations
		Yes	No	Yes	No		
8.	Board of Directors' and Supervisory Board's assigned functions and responsibilities.	X		X		20-21	
9.	Working Groups appointed by the Board of Directors or the Supervisory Board.	X		X		21	Non-existent
C.	Supervision						
1.	Supervisory Board membership corresponding to the model adopted, indication of statutory minimum and maximum number of members, length of term, number of permanent and alternate members.	X		X		22	
2.	Supervisory Board Membership	X		X		22	
3.	Relevant Curriculum Vitae details of each member.	X		X		22-25	
4.	Supervisory Board's assigned roles and responsibilities.	X		X		26	
D.	Statutory Auditor						
1.	Statutory Auditor membership.	X		X		26-27	
2.	Indication of legal restrictions.	X		X		27	
3.	Information on the period of time during which the Statutory Auditor has consecutively been performing duties for the company/group.	X		X		27	
4.	Description of other services delivered by the Statutory Auditor to the company.	X		X		27	
E.	External Auditor						
1.	Membership.	X		X		27	Not applicable
2.	Policy and rotation frequency.	X		X		27	Not applicable
3.	Identification of different works and tasks from the audit work, carried out.	X		X		27	Not applicable
4.	Information about the annual paid remuneration amount.	X		X		28	Not applicable
V.	Internal Organisation						
A.	Articles of Association and Reporting Irregularities						
1.	Amendments to articles of association – Applicable regulations.	X		X		28	
2.	Reporting irregularities.	X		X		28	
3.	Anti-fraud policies.	X		X		28-29	
B.	Internal Control, and Risk Management						
1.	Information about an internal control system (ICS).	X		X		29	
2.	People, bodies or committees responsible for performing internal audits and/or ICS.	X		X		30	
3.	A range of key measures taken towards the risk policy.	X		X		30	
4.	Hierarchical and/or functional relations of dependence.	X		X		30	Non-existent
5.	Other functional areas with assigned responsibilities for risk control.	X		X		30	
6.	Identification of the main types of risks.	X		X		30-31	
7.	Process description of risk identification, assessment, evolution, control, management and mitigation.	X		X		31	
8.	Details of ICS and of risk management implemented in the company	X		X		31	
C.	Regulations and Codes						
1.	Applicable internal and external Regulations.	X		X		31-33	
2.	Codes of Conduct and Code of Ethics.	X		X		33	
D.	Website						
	Indication to access the website and available information.	X		X		34	
VI	Remunerations						
A.	Assigned responsibilities to set governing bodies' remuneration						

	Corporate Governance Report	Identification		Disclosure		Pages of the Report	Observations
		Yes	No	Yes	No		
	Authority responsible for setting remuneration.	X		X		34	
B.	Remuneration Committee						
	Membership.	X		X		35	Cancelled further to a decision of the Annual General Meeting held on 18 June 2013.
C.	Remuneration structure						
1.	Board of Directors' and Supervisory Board's remuneration policy.	X		X		35	Bylaws of Board Members of State owned public companies – DL n° 8/2012, of 18 January, RCM n° 16/2012 and RCM n° 36, of 26 March.
2.	Information about the way how remuneration is structured.	X		X		35-36	Bylaws of Board Members of State-owned public companies – DL n° 8/2012, of 18 January, RCM n° 16/2012 and RCM n° 36 of 26 March.
3.	Remuneration variable component and criteria of attribution.	X		X		36	Bylaws of Board Members of State-owned public companies – DL n° 8/2012, of 18 January, RCM n° 16/2012 and RCM n° 36, of 26 March.
4.	Payment deferral of the variable component.	X		X		36	
5.	Parameters and foundations for awarding bonuses.	X		X		36	
6.	Supplementary pension schemes.	X		X		36	
D.	Remuneration disclosure						
1.	Information about the annual remuneration amount received.	X		X		37	
2.	Amounts paid by other companies in a control or group relationship with STCP.	X		X		37	
3.	Remuneration paid in the form of profit sharing and/or bonuses awarded.	X		X		37	
4.	Compensation paid to former executive board members.	X		X		37	
5.	Information on the annual remuneration amount received by the company's supervisory board.	X		X		37-38	
6.	Information about annual remuneration paid to the members of the board of the general meeting.	X		X		38	
VII	Transactions with Related Entities and Others						
1.	Methods implemented aimed to control transactions with related entities.	X		X		38-39	
2.	Information on other transactions.	X		X		39-40	
VIII	Company sustainability analysis in the economic, social and environmental domain						
1.	Strategies put into action and achievement level of objectives set.	X		X		40	
2.	Policies pursued.	X		X		40-41	
3.	Ways to meet principles inherent to a suitable corporate management: a) Social responsibility b) Environmental responsibility c) Economic responsibility.	X		X		41-44	Sustainability Section
IX	Corporate Governance Evaluation						
1.	Compliance with recommendations	X		X		44	
2.	Additional information	X		X		44	Non-existent





3129



movido a gás natural

502



MANAGEMENT REPORT

5.1 MACROECONOMIC FRAMEWORK

In 2013 the tangible impact of the global financial crisis having begun in 2008, continued to be felt. According to the World Bank, the estimate for the global economic growth in 2013 stands at 2,4%.

In Euro Zone, after the double-dip recession that lasted about a year and half, 2013 witnessed improvements but at a slow pace, almost unnoticeable. The unemployment rate remained high standing at 12,1% by the end of 2013 having particularly affected the young people. GDP fell 0,4% in 2013 which represents a weak recovery compared to the decline of -0,7% recorded the year before.

Brent price remained stable throughout the year of 2013, having decreased 0,3%, to 110,8 USD in comparison with the price recorded at the end of 2012.

In 2013, the euro appreciated by 4,5% against US dollar (source: Bloomberg).

As to the level of official interest rates, ECB cut interest rates for the main refinancing operations by 25 basis points, on two occasions to 0,5 percent in May and 0,25 percent in November.

In Portugal, from the second quarter of 2013 onwards, there was an increase in economic activity thus, interrupting the downward trend occurred in 2011.

The year of 2013 was marked by continued external financial support through the Economic and Financial Assistance

Programme – EFAP – agreed with the troika of international lenders, the European Commission (EC), European Central Bank (ECB) and International Monetary Fund (IMF), started in April of 2011.

GDP decreased 1,4%, in annual average terms, but corresponding to an improvement in relation to -3,2% occurred in 2012. Despite these results, Portuguese economy shrank for the third consecutive year. Unemployment rate reached the annual average value of 16,3% and the average rate of the consumer price index (CPI) was 0,4%.

In 2014 Portugal will leave the Economic and Financial Assistance Programme (EFAP), the exit strategy, expected to occur in May, being under consideration by the Government. According to the Bank of Portugal “the projections for the Portuguese economy show a gradual recovery in activity, a 1,2% growth for 2014 being estimated”. The recovery in the economic activity will be supported by the acceleration of private domestic demand and by maintaining a sharp growth in exports. In the public sector, activity will continue to shrink, influenced by the fiscal consolidation process though at a gradually slower pace.

Within this context, a slight recovery in private employment is foreseen and a gradual unemployment rate decline.

Inflation is expected to be kept at low levels in a context where external and domestic inflationary pressure is expected to remain low. In 2014, a rise by 0,5 percent in prices is foreseen in annual average terms.

5.2 YEAR IN REVIEW

Activity Evolution

In 2013, STCP went on being considered as the leading public transport operator in Porto Metropolitan Area, a total amount of 78,7 million passengers having been carried, despite several changes occurred in transport in this geographical area.

At the beginning of the year, single mode fare pricing was discontinued except the overall bus network season tickets and also tickets sold on board, the use of Andante intermodal fare pricing having been promoted. This contributed to a greater shift of passengers travelling on different modes of transport and to an increase of mobility conditions.

Demand evidenced a 7,5% decline towards 2012.

A target has been pre-set in order to adjust supply and demand to optimal levels. In February line 700 started running after an agreement with a private operator having been signed aiming at jointly operating Bolhão-Campo route supported by Porto Transport Metropolitan Authority (PTMA).

As regards in-house production, STCP hit 22,7 million vehi-

cles Km operated, a reduction of 0,8% having been recorded towards 2012.

Fares have risen 0,9% on average, since January and revenue resulting from the sale of tickets together with in-house production reached 45,2 million euros, +0,3% in relation to 2012.

Besides the implementation of the organisational redesign programme and the merger with Metro do Porto, the Company has been fully committed to launching an international competitive tender targeting the transfer of service operations to the private sector expected to take place still in 2014.

5.3 INVESTMENT

In 2013 investments made corresponded to 67 thousand euros, further to a decision taken towards a downward trend in investments for 2013. This investment resulted mainly from the acquisition of office equipment, computer hardware and *software*.

Investments (m€)	2010	2011	2012	2013
Rolling Stock	11.765	116	18	0
Infrastructures	220	650	1.057	0
Other	270	183	1.266	67
Total	12.255	949	2.341	67

5.4 FINANCING

STCP ended the year of 2013 with a total remunerated debt of 395,9 million euros, compared to 370,7 million euros in 2012.

In 2012, debt increase of 6,8% is due to the use of short-term loans.

Debt limit of 4% for 2013, set out by Order n° 155/2011 from the Minister of State and Finance of 28 April was exceeded mainly as a consequence of BNP Paribas *swap Termination Agreement* as well as the holiday pay arising from Judgement n°187/2013 delivered and decision taken by the Constitutional Court. Excluding these two effects considered as exceptional and non budgeted, debt increase would correspond to 4%, approximately.

5.4.1 Account opened at the Public Credit Management Institute (PCMI)

Following guidelines outlined in Circular Letter 844 of 3 February 2011, STCP opened an account at the Treasury and Public Debt Management Agency, TPDMA, E.P.E., all reimbursements and other funds from Public Bodies having began to be received into this account.

Pursuant to Law 66-B/2012, article n° 124, of 31 December, every transaction concerning funds must be made by using bank services made available by PCMI, E.P.E., unless otherwise provided for in Law, or in situations recognised as such by Order from the government member responsible for the financial issues in exceptional cases and duly justified further to the prior opinion of PCMI, E.P.E.

In 2013, STCP exceptionally addressed a request to the Secretary of State to the Treasury regarding the principle of unity of treasury based on the relationship with commercial banks, concerning financial support to the activity, medium/long term consolidation operations, financial leasing operations or operating lease, interest rate risk hedge, issuance of bank guarantees, transactions by cheque, the use of ATM equipment, among others.

As expressly set forth in Order n° 2429/13, from the Secretary of State to the Treasury of 19 December 2013 and with reference to the compliance with the principle of unity of treasury, an exception scheme was authorised taking into consideration the importance of the role of commercial banks in the company's activity.

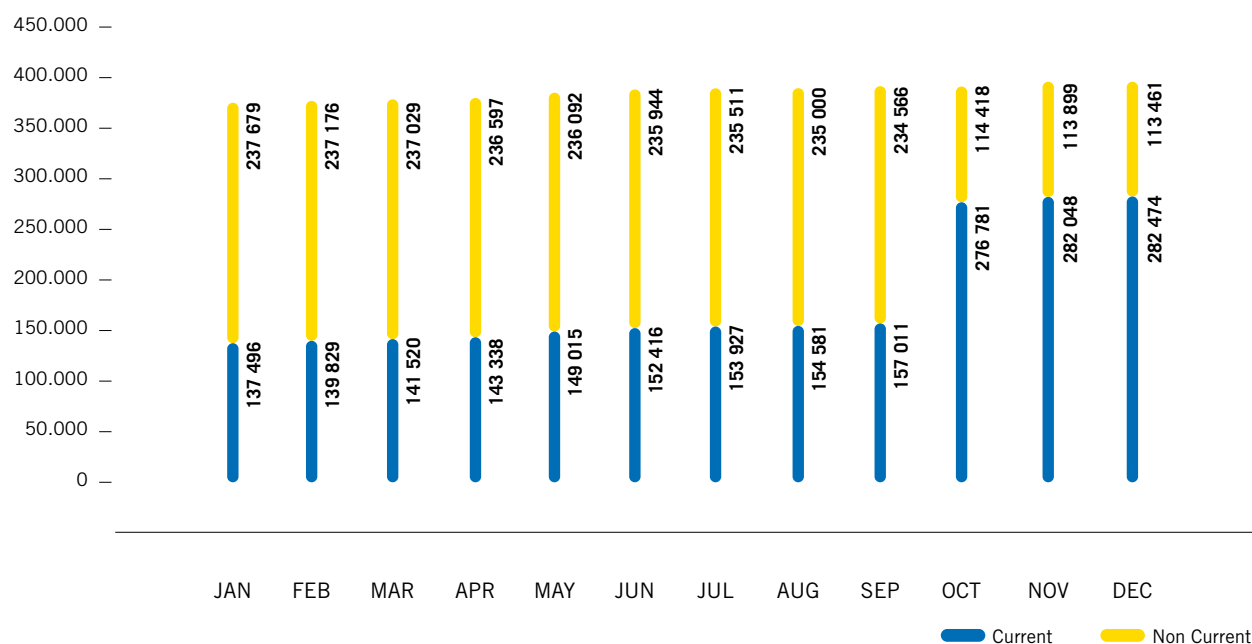
5.4.2 Financing Operations carried out during the year

Under the current financing policy developed for the State Corporate Sector companies, over the year of 2013, STCP carried out only short term credit operations.

The company tried to change this debt profile with the aim of extending maturity dates and relieve liquidity pressure which has not been achieved.

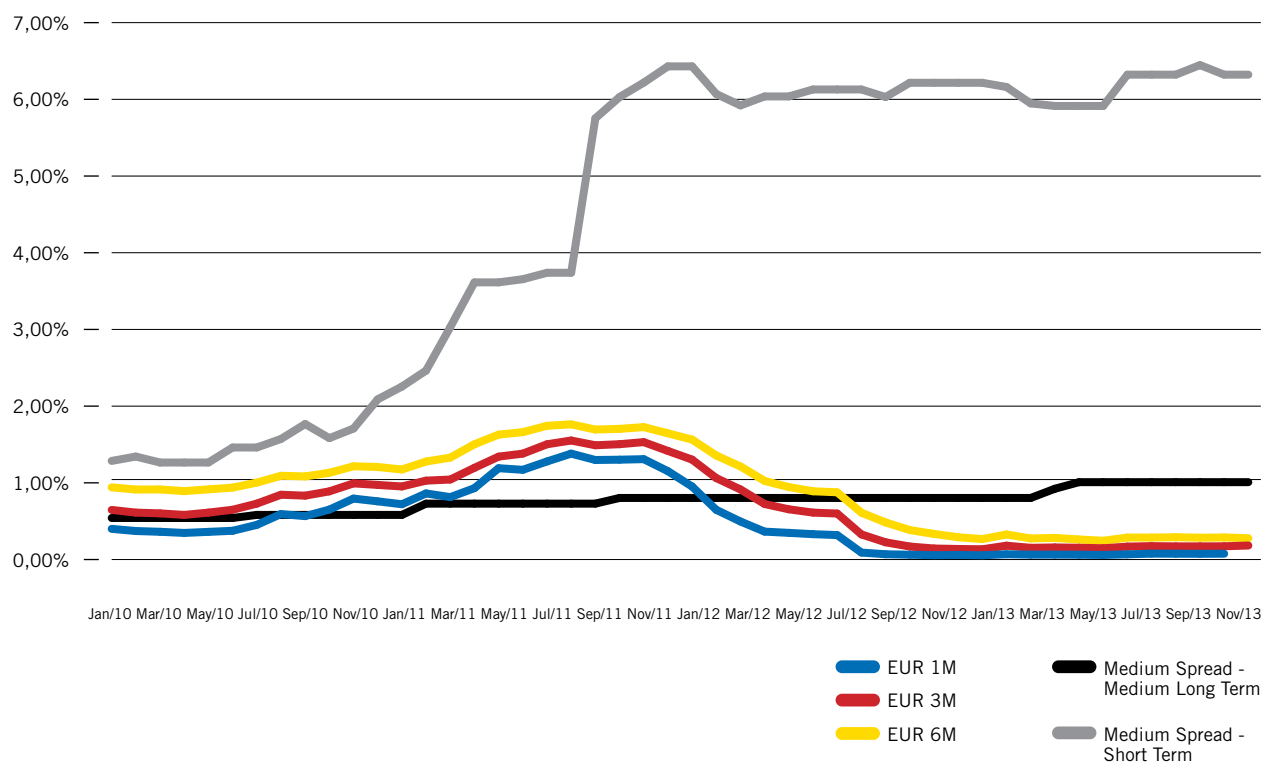
Attention should be drawn to debt structure alteration between medium and long term and short term, which was due to the approaching bond maturity date (October 2014) corresponding to the amount of 120 M€.

DEBT EVOLUTION IN 2013 (THOUSAND EUROS)



The overall amount of Interests paid was similar to the value recorded in 2012. During the year a slight improvement in the financing conditions occurred as far as spreads are concerned as well as increasing bank charges for short term loans. With reference to costs incurred with medium/long term operations, Euribor historic lows gave rise to a significant decrease of interests in each coupon.

INTEREST RATE EVOLUTION / SPREAD - 2010/2013



Interests incurred with remunerated liabilities and other financial costs:

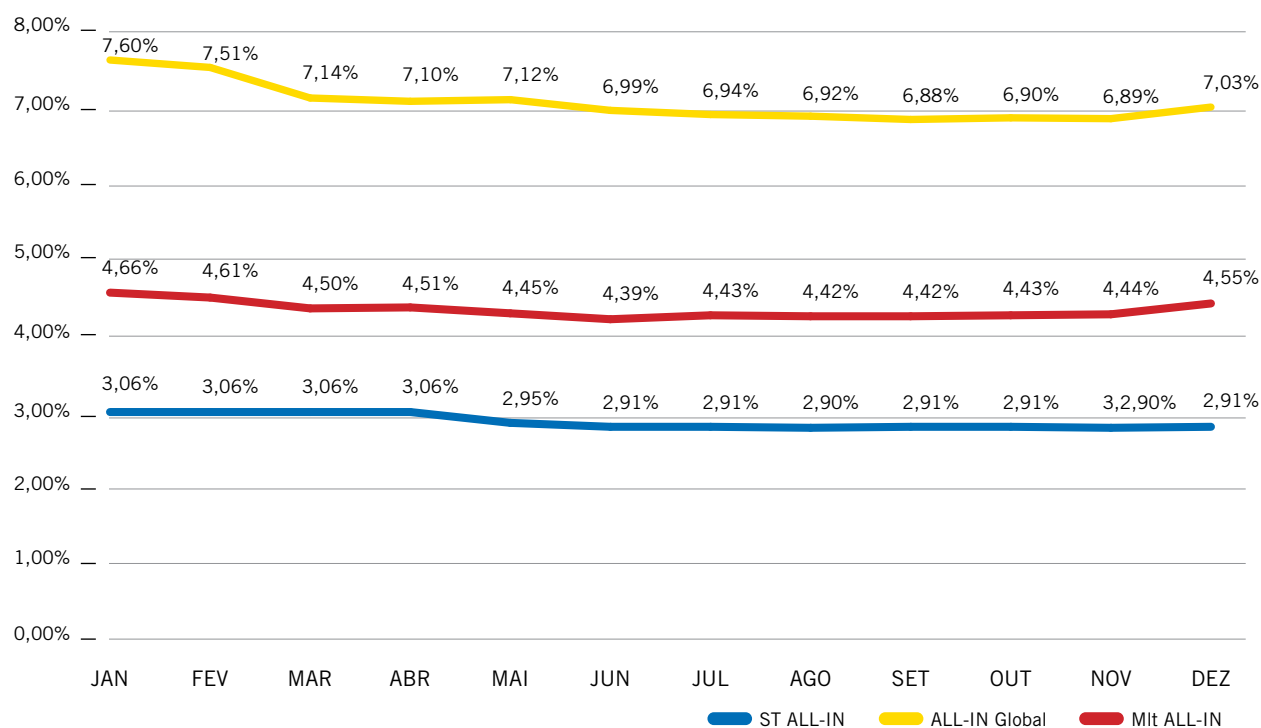
(10 ^{^3} €)	2010	2011	2012	2013
Interests paid	7.486	13.160	19.034	18.894
Other costs	832	1.278	1.918	2.456
Total	8.318	14.438	20.952	21.350

In 2013, the amount of Interests paid and Other costs reached 21,3 million euros in comparison with 21 million euros in the same period of the previous year, representing a 1,9% increase.

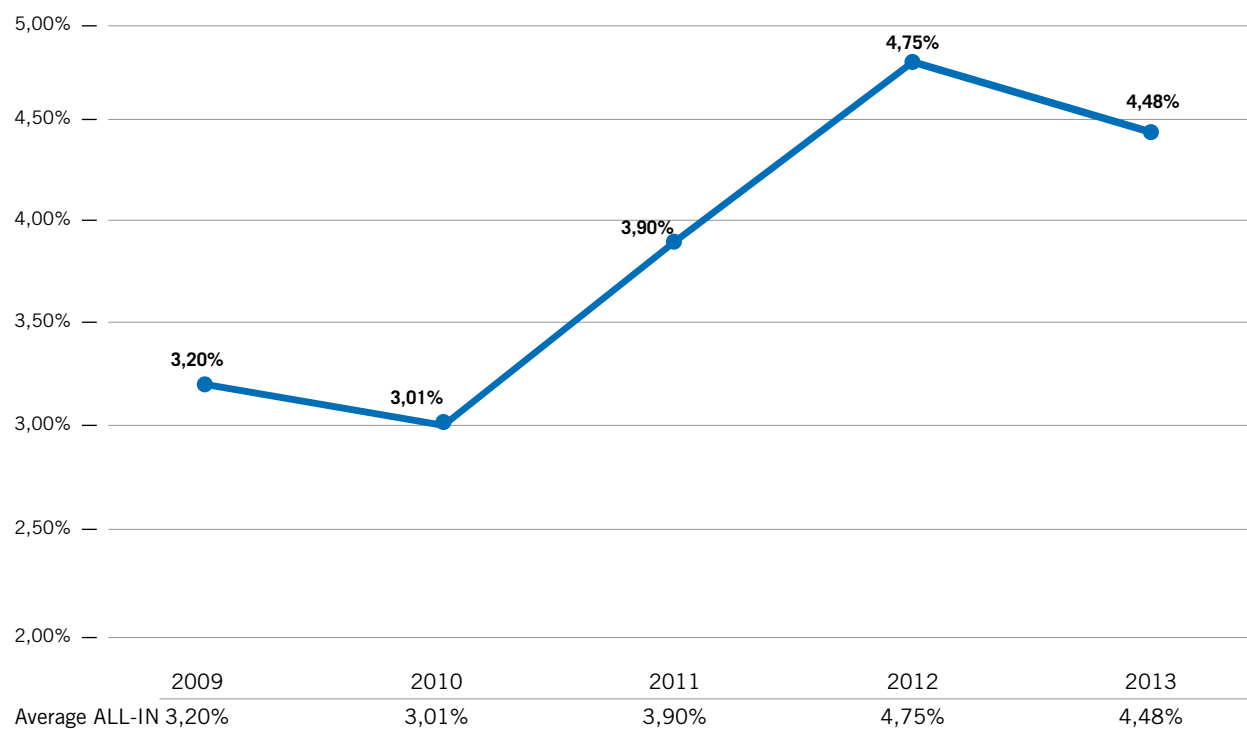
Costs incurred with swap operations accounted for under the heading Interests paid in 2013 corresponded to about 24% of the total Interests paid representing 4,5 million euros, + 11% than the value reached in 2012 of 4 million euros.

From December 2013 onwards following the implementation of Decree-Law nº 133/2013 of 03 October and taking into account that STCP is a non financial public company of the

State Corporate Sector showing negative equity every year, can only have access to funding from financial institutions with prior authorisation from the Directorate General to the Treasury and Finance that requests a binding opinion to the Public Debt and Treasury Management Agency, IGCP, EPE, concerning applicable financial conditions. From that point onwards, the company must request authorisation beforehand for each new operation and for each operation renewal negotiating in advance with financial institutions the best loan conditions targeting the required approval.

WEIGHTED ALL-IN MONTHLY EVOLUTION - 2013

Evolution of the annual average financing rate in the last five years:

ANNUAL AVERAGE WEIGHTED ALL-IN (%)

5.4.3 Financial Risk Management Instruments – FRMI

Since 2007 the company held two interest rate risk hedge operations, each one representing 25% of the bond nominal value amounting to 100 million euros issued in the same year. These operations were carried out with BNP Paribas as well as with Santander Totta Bank, which will fall due in June of 2022. On 9 May 2013, STCP cancelled in advance the operation with BNP Paribas in the amount negotiated between the parties (IGCP, E.P.E. and BNP Paribas) of 7.865.000,00 euros following instructions from the Supervising Ministry, this annulment having been authorised and approved by Order nº 970/13-SET of 11 May.

On 31 December 2013 the company held an interest rate risk hedge operation which was carried out with Santander Totta Bank, S.A. whose fair value was -95.069.619,25 euros (this value includes overdue and unpaid interests totalling 2.438.641,83 euros). This operation was the subject of a lawsuit filed by the financial institution through the Commercial Court in London on 10 May 2013, with the aim to claim the recognition of legality of the derivative contract with STCP,

S.A. Further to authorisation from the Supervising Ministry, the Board of Directors based on legal grounds for nullity of contract, deliberated to withdraw from the performance of obligations arising under the contract. Thus, STCP suspended the payment of all obligations arising under the contract under dispute.

5.5 RESULTS FOR THE FINANCIAL YEAR

Net Results

In 2013, Net Results evidenced a total amount of 58 million euros (79%) representing an improvement towards the year before, a negative value of 15 million euros having been recorded.

The improvement of Net Results concerning the Financial Year results from the improvement of 86% in Financial Results and 37% in Operating Results, compared to the previous year.

Income/Expenditure (10 ³ €)	2010	2011	2012	2013	13/12
Operating Income	72.709	73.738	64.396	61.374	-4,7%
Operating Costs	81.963	80.122	74.566	67.799	-9,1%
Operating Results	-9.254	-6.383	-10.170	-6.425	37%
Financial Income	0	341	6	12.592	205980%
Financial Costs	28.383	48.469	63.221	21.350	-66%
Financial Results	-28.383	-48.128	-63.215	-8.758	86%
Tax for the Year	40	34	53	41	-23%
Net Results (NR)	-37.677	-54.545	-73.439	-15.224	79%
NR before Compensatory Indemnities	-56.653	-72.416	-83.650	-25.435	70%
NR before Swap Fair Value Variation	-17.612	-20.514	-31.169	-27.815	11%

Financial Results

In 2013 Financial Results stood at -8,8 million euros, corresponding to an improvement of 86% in relation to the year before. The amount of 12,5 million euros of *swap* fair value positive variation recorded in 2013 should be pointed out compared to 42,3 million euros of negative variation occurred in 2012.

Financial Costs not including *swap* operations have risen 1,9% towards 2012, currently standing at 21,3 million euros. Despite the average *All-in* reduction in 2013 by 0,27 p.p., standing at 4,48%, the remunerated debt rise of 6,8% represented a negative contribution to the Financial Costs.

(10 ³ €)	2010	2011	2012	2013	13/12
Interests paid	7.486	13.160	19.034	18.894	-0,7%
Other costs	832	1.278	1.918	2.456	28,0%
	8.318	14.438	20.952	21.350	1,9%
Swap Fair Value Variation	-20.065	-34.031	-42.269	12.592	129,8%
Remunerated Debt	335.403	352.970	370.665	395.935	6,8%
	2010	2011	2012	2013	13/12
Bank Financing Average All-in	3,012%	3,902%	4,747%	4,481%	-0,27 pp

Operating Results

Operating Results totaled -6,4 million euros, corresponding to an improvement of 37% in comparison with 2012. Although Operating Income has fallen 3 million euros (-4,7%) compared to the same period of the previous year, it has been offset by the decrease of 6,7 million euros in Operating Costs (-9,1%).

Operating Costs

Operating Costs stood at 67,8 million euro (-9,1% in relation to 2012).

Expenditure (10 ³ €)	2010	2011	2012	2013	13/12
ESS+CGSMC	34.032	34.167	32.281	26.188	-18,9%
Private Operators	6.316	6.608	4.732	1.019	-78,5%
Fuel (gas + diesel)	10.396	10.164	10.302	9.458	-8,2%
diesel oil	5.539	6.373	6.173	5.247	-15,0%
gas	4.856	3.791	4.129	4.211	2,0%
Costs incurred with Personnel	39.999	36.934	30.954	31.638	2,2%
Severance Payments	954	2.872	1.820	211	-88,4%
Costs/reversals, depreciation, amortisation, provisions and impairments	6.531	8.225	9.715	9.067	-6,7%
Other	1.400	796	1.616	906	-43,9%
Operating Expenditure	81.963	80.122	74.566	67.799	-9,1%

Attention should be drawn to the decline of External Supplies and Services of 6,1 million euros (-20%) owing to the decrease of: 3,7 million euros under the heading private operators 0,8 million euros in fuel; 0,8 million euros in specialised services; 0,4 million in rental payments and leases and a 45% drop in expenses incurred with communications corresponding to 164 thousand euros.

Staff costs evidenced a rise of 0,7 million euros (+2,2%) towards 2012, as a result of the Judgement n°187/2013 delivered by the Constitutional Court of 05 April 2013, having ruled with a general binding effect, as unconstitutional the provisions laid down in article 29° of Law 66-B/2012 of 31

December, stipulating the payment of holiday bonus by the Company or any other corresponding benefits.

Costs related to the above Judgement totaled about 3,2 million euros, concerning the recognition of additional costs incurred with holiday pay in 2012 and 2013.

Operating Income

Operating Income totaled 61,4 million euros in 2013, evidencing a decline of 3 million euros (-4,7%), resulting from changes occurred in supply due to termination of Agreements with private operators.

Income (10 ^{^3} €)	2010	2011	2012	2013	13/12
Delivery of Services	49.346	50.783	50.072	46.321	-7,5%
Operating Grants	19.930	18.869	10.729	11.832	10,3%
Other Operating Income	3.432	4.087	3.595	3.220	-10,4%
Operating Income	72.709	73.738	64.396	61.374	-4,7%

The variation of 1,1 million (+10,3%) recorded under the heading Operating Grants refers to PAII Grant – Senior Citizen Integrated Support Scheme covered by the protocol agreed with the Social Security Financial Management Institute, as in 2013 the amount corresponding to the year of 2013 was recognised and accepted together with an additional value concerning the financial year of 2012.

EBITDA

EBITDA stood at 5,8 million euros, representing a positive variation of 30% in relation to the year before thus, reflecting an improvement of 37% in the Operating Results.

EBITDA (10 ^{^3} €)	2010	2011	2012	2013	13/12
Operating Results	-9.254	-6.383	-10.170	-6.425	37%
Amortisations, provisions, impairments and fair value variations	6.563	7.615	9.541	9.067	-5%
Leasing Rental Payments (financial component)	3.226	3.231	3.241	2.921	-10%
Severance Payments HR	954	2.872	1.820	211	-88%
EBITDA	1.489	7.335	4.432	5.774	30%

5.6 COMPANY'S ASSETS EVOLUTION

Assets evidenced a decline of 3 million euros (-3,2%) in 2013 towards 2012. A decrease in non current assets of 6,5 million euros gave rise to this result mainly due to a reduction of the heading tangible fixed assets of 7,7 million euros, mitigated by the increase of the current assets of 3,5 million euros, essentially resulting from the rise of the heading Other Accounts Receivable amounting to 3,3 million euros.

Liabilities recorded a growth in 2013 of 12,3 million euros (+2,5%) towards 2012. Particularly noteworthy is the increase of 25,3 million euros corresponding to Loans Received being offset by the decrease of 17,9 million euros regarding Other Financial Liabilities.

Remunerated debt growth was 6,8%, exceeding debt limit of 4%, set out in Order n° 155/2011 from the Minister of State for Finance of 28 April.

In 2013 Equity reached a negative amount of 423 million euros.

Balance Sheet Structure (10³ €)	2010	2011	2012	2013	13/12
Assets	114.746	109.617	93.958	90.949	-3,2%
Non Current	102.624	95.881	87.070	80.541	-7,5%
Current	12.122	13.735	6.889	10.408	51,1%
Equity and Liabilities	114.746	109.617	93.958	90.949	-3,2%
Equity	-275.747	-330.719	-407.639	-422.997	-3,8%
Liabilities	390.493	440.336	501.598	513.946	2,5%
<hr/>					
	2010	2011	2012	2013	13/12
Remunerated Debt (10 ³ €)	335.403	352.970	370.665	395.935	6,8%

There are no late debts owed to the State nor to any other public entities, including Social Security.

5.7 PROPOSAL FOR THE ALLOCATION OF RESULTS

The Board of Directors proposes that net results calculated for the financial year in the negative amount of 15.223.813,01 euros, should be fully transferred to the Retained Earnings account.

Porto, 24 April 2014

The Board of Directors

Non Executive Chairman:

(João Velez Carvalho)

Executive Board Members:

(André da Costa Figueiredo e Silva Sequeira)
(Alfredo César Vasconcellos Navio)

Non Executive Board Member:

(António José Lopes)

5.8 NOTES TO THE MANAGEMENT REPORT

Shareholders as at 31 December 2013

List referred to in nº 4 of article 448º of the Companies Code.

Shareholder	Number of Shares	% of the Share Capital
Portuguese State	15.929.800	100%

Porto, 24 April 2014

The Board of Directors

Non Executive Chairman:

(João Velez Carvalho)

Executive Board Members:

(André da Costa Figueiredo e Silva Sequeira)
(Alfredo César Vasconcellos Navio)

Non Executive Board Member:

(António José Lopes)





OUTLOOK FOR 2014

Continued improvements in operating results and EBITDA are expected further to the following measures:

- > Reversal of the demand historical trend, a growth being expected to take place in 2013.
- > Ongoing efforts towards supply adjustment in 2014 in comparison with 2013, and discontinuation of existing services to which there may be more efficient transport alternatives.
- > Reduction in costs incurred with personnel through staff effective resizing that best suits the needs of an efficient company focused on achieving the highest levels of performance as well as update collective bargaining agreements with Trade Unions in accordance with the current economic downturn giving rise to difficulties experienced by the company as well as by the country.
- > Elimination of redundant procedures ensuring the delivery of services and high coordination further to the merger between STCP and Metro do Porto, S.A..
- > Additional revenues raised by income generated by the provision of services other than the main business activity of the company and disposal of non operating assets.

In 2014 the launch of a subconcession tender is expected to take place. The transfer procedures of STCP's operations to the private sector will be outlined according to the concession model of the public transport activity with a particular focus on corporate management, cost containment measures and attracting new customers.



zona
C4

zona
C5

zona
C3

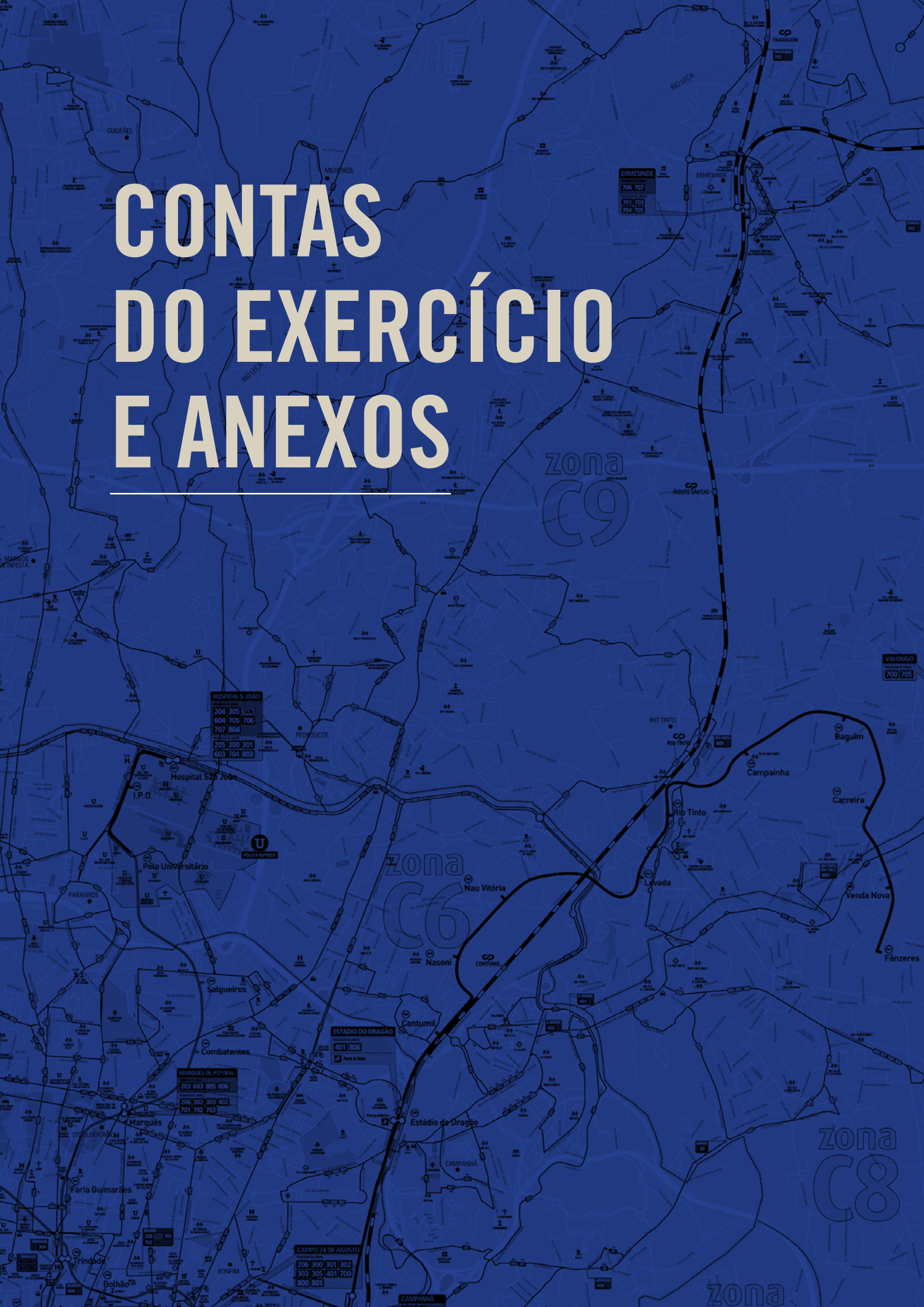
zona
C2

zona
C6

CASA DA MÚSICA
503 504 902 903
203 200 208 209
507 700 803

POLO DO CAMPO ALEGRE

CONTAS DO EXERCÍCIO E ANEXOS







ACCOUNTS FOR 2013 FINANCIAL YEAR

BALANCE SHEET AS AT 31 DECEMBER 2013

(amounts in euros)

ASSETS	Notes	2013	2012
Non Current Assets		80.540.636,41	87.069.673,10
Tangible fixed assets	8	74.069.749,39	81.806.758,57
Investment properties	12	5.253.226,00	3.589.026,00
Intangible assets	7	1.020.512,89	1.338.692,95
Financial holdings - equity method	6, 14	125.217,40	135.666,00
Financial holdings - Other methods	6, 15	25.000,00	25.000,00
Other financial assets	28.1.2.1	46.930,73	174.529,58
Current assets		10.408.350,22	6.888.523,78
Inventories	19	528.442,63	437.454,56
Customers	28.2.1	2.110.957,37	1.677.976,56
State and other public bodies	32	1.424.446,55	1.616.858,26
Other accounts receivable	33	5.898.638,80	2.560.695,24
Deferrals	34	305.898,23	249.672,25
Cash and bank deposits	4	139.966,64	345.866,91
Total assets		90.948.986,63	93.958.196,88
EQUITY AND LIABILITIES	Notes	2013	2012
Equity			
Paid-up capital	28.4.1	79.649.000,00	79.649.000,00
Legal reserves	28.4.2	74.907,42	74.907,42
Other reserves	28.4.2	25.727,80	25.727,80
Retained earnings		-528.216.966,77	-455.693.621,83
Adjustments to financial assets	28.4.4	122.236,59	122.236,59
Revaluation surplus	28.4.3	39.867.800,83	40.808.346,13
Other changes in equity	28.4.5	704.529,03	812.649,32
Net income for the period		-15.223.813,01	-73.438.560,24
Total equity		-422.996.578,11	-407.639.314,81
Liabilities			
Non current liabilities		215.150.861,23	357.850.102,90
Provisions	22	9.084.975,68	6.520.837,69
Loans received	28.1.1	113.460.608,13	237.825.729,23
Post-employment benefit liabilities	29	397.187,00	986.916,00
Other financial liabilities	28.1.3	92.208.090,42	112.516.619,98
Current liabilities		298.794.703,51	143.747.408,79
Suppliers	31	3.875.164,02	4.301.699,64
State and other public bodies	32	906.459,44	769.609,44
Loans received	28.1.1	282.474.434,92	132.838.862,53
Other accounts payable	33	6.364.129,03	3.877.228,89
Deferrals	34	2.312.987,27	1.546.472,88
Other financial liabilities	28.1.3	2.861.528,83	413.535,41
Total liabilities		513.945.564,74	501.597.511,69
Total equity and liabilities		90.948.986,63	93.958.196,88

INCOME AND EXPENDITURE STATEMENT BY NATURE YEAR ENDED ON 31 DECEMBER 2013

INCOME AND COSTS	Notes	(amounts in euros)	
		2013	2012
Sales and services provided	21	46.321.490,66	50.071.866,26
Operating grants	23	11.832.310,39	10.728.612,45
Gains/ losses charged resulting from subsidiaries, associated companies and joint ventures	14	-10.448,60	-151,11
Variation in production inventories	19	581,58	-443,01
In-house works	7, 8	47,54	63.763,23
Cost of goods sold and materials consumed	19	-1.341.481,92	-1.259.898,26
External supplies and services	35	-24.846.569,13	-31.021.265,99
Costs incurred with personnel (*)	36	-31.638.133,17	-30.953.527,57
Impairment of inventories (losses/reversals)	19	-439.857,82	-632.639,79
Impairment of debts receivable (losses / reversals)	28.2.1.5	-6.865,28	-10.590,00
Provisions (increases / reductions)	22	-2.564.137,99	-2.537.235,14
Impairment of investments not subject to depreciations/amortisations (losses/reversals)	28.1.2.1	-17.598,85	174.529,58
Fair value increases/ reductions	12	-236.570,00	-309.000,00
Other income and gains	38	3.219.107,19	3.356.932,87
Other costs and losses	37	-905.999,30	-1.615.439,47
Earnings/losses before depreciations, interests and taxes		-634.124,70	-3.944.485,95
Costs/reversals of depreciation and amortisation	7, 8	-5.791.033,87	-5.816.806,81
Impairment of assets subject to depreciations /amortisations (losses/reversals)	13		-409.041,43
Operating earnings/losses (before interests and taxes)		-6.425.158,57	-10.170.334,19
Interests and similar income received	11	12.592.292,26	6.110,40
Interests and similar expenses paid	11	-21.350.025,02	-63.221.088,30
Pre-tax profit/loss		-15.182.891,33	-73.385.312,09
Corporation tax of the year	26	-40.921,68	-53.248,15
Net earnings/losses for the year	28.4.6	-15.223.813,01	-73.438.560,24

INCOME AND EXPENDITURE STATEMENT BY FUNCTION

YEAR ENDED ON 31 DECEMBER 2013

	(amounts in euros)	
	2013	2012
Income and Costs		
Sales and services provided	58.153.801,05	60.800.478,71
Cost of sales and services delivered	-56.340.407,30	-59.341.109,48
Gross profit	1.813.393,75	1.459.369,23
Other income	3.321.143,35	3.684.570,06
Distribution costs	-2.018.931,34	-2.537.456,15
Administrative costs	-4.664.397,71	-6.359.713,44
Research and development costs		
Other costs	-4.875.718,86	-6.410.995,26
Operating earnings/losses (before interests and taxes)	-6.424.510,81	-10.164.225,56
Interests (net)	-8.758.380,52	-63.221.086,53
Pre-tax loss	-15.182.891,33	-73.385.312,09
Corporation tax of the year	-40.921,68	-53.248,15
Net income/expenditure for the year	-15.223.813,01	-73.438.560,24

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2013

(amounts in euros)										
Description	Notes	Paid-up capital	Legal reserves	Other reserves	Retained earnings	Adjustments to financial assets	Revaluation surplus	Other changes in equity	Net income for the year	TOTAL
POSITION AT THE BEGINNING OF THE YEAR 2013	6	79.649.000,00	74.907,42	25.727,80	-455.693.621,83	122.236,59	40.808.346,13	812.649,32	-73.438.560,24	-407.639.314,81
CHANGES IN THE PERIOD										
Realisation of revaluation surplus of tangible and intangible fixed assets	28.4				915.215,30		-915.215,30			
Revaluation surplus of tangible and intangible fixed assets and respective changes	28.4						-25.330,00			-25.330,00
Other recognised alterations in equity					-73.438.560,24			-108.120,29	73.438.560,24	-108.120,29
	7				-72.523.344,94		-940.545,30	-108.120,29	73.438.560,24	-133.450,29
NET INCOME FOR THE PERIOD	8								-15.223.813,01	-15.223.813,01
COMPREHENSIVE NET INCOME	9=7+8								58.214.747,23	-15.357.263,30
OPERATIONS WITH SHAREHOLDERS IN THE PERIOD										
	10									
POSITION AT THE END OF THE PERIOD OF 2013	6+7+8+10	79.649.000,00	74.907,42	25.727,80	-528.216.966,77	122.236,59	39.867.800,83	704.529,03	-15.223.813,01	-422.996.578,11

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2012

(amounts in euros)										
Description	Notes	Paid-up capital	Legal reserves	Other reserves	Retained earnings	Adjustments to financial assets	Revaluation surplus	Other changes in equity	Net income for the year	TOTAL
POSITION AT THE BEGINNING OF THE PERIOD OF 2012	1	79.649.000,00	74.907,42	25.727,80	-401.882.431,67	122.236,59	44.857.408,98	979.268,60	-54.545.474,57	-330.719.356,85
CHANGES IN THE PERIOD										
Realisation of revaluation surplus of tangible and intangible fixed assets	28.4				734.284,41		-734.284,41			
Revaluation surplus of tangible and intangible fixed assets and respective changes	28.4						-3.314.778,44			-3.314.778,44
Other recognised alterations in equity					-54.545.474,57			-166.619,28	54.545.474,57	-166.619,28
	2				-53.811.190,16		-4.049.062,85	-166.619,28	54.545.474,57	-3.481.397,72
NET INCOME FOR THE PERIOD	3								-73.438.560,24	-73.438.560,24
COMPREHENSIVE NET INCOME	4=2+3								-18.893.085,67	69.957.162,52
OPERATIONS WITH SHAREHOLDERS IN THE PERIOD										
	5									
POSITION AT THE END OF 2012	6=1+2+3+5	79.649.000,00	74.907,42	25.727,80	-455.693.621,83	122.236,59	40.808.346,13	812.649,32	-73.438.560,24	-407.639.314,81

CASH FLOW STATEMENT

YEAR ENDED ON 31 DECEMBER 2013

	Notes	2013	(amounts in euros) 2012
Cash Flows from operating activities - Direct method			
Receipts from customers		48.665.256,59	58.059.113,76
Payments to suppliers		-30.252.877,21	-37.403.015,62
Payments to staff		-25.015.601,44	-25.581.820,54
Cash generated by operations		-6.603.222,06	-4.925.722,40
Payment/Receipt of corporation tax		-73.393,94	-8.688,10
Other receipts/payments		8.708.418,00	9.315.632,04
Cash flows from operating activities (1)		2.031.802,00	4.381.221,54
Cash flows from investment activities			
Payments relative to:			
Tangible fixed assets		-74.807,01	-1.186.065,83
Intangible assets		-54.271,65	-69.946,03
Other assets		-35.059,01	-377.337,00
		-164.137,67	-1.633.348,86
Receipts derived from:			
Tangible fixed assets		17.700,69	354.901,21
Financial investments		112.520,67	
Other assets			938,80
Investment grants			3.560,60
Similar interests and income		237.823,44	265.618,07
		368.044,80	625.018,68
Cash flows from investment activities (2)		203.907,13	-1.008.330,18
Cash flows from financing activities			
Receipts derived from:			
Loans received		443.524.898,40	218.480.342,83
		443.524.898,40	218.480.342,83
Payments relative to:			
Loans received		-414.423.036,10	-170.536.342,83
Similar interests and costs		-26.536.724,99	-21.224.663,71
Other financing operations		-5.276.725,96	-5.401.280,63
		-446.236.487,05	-197.162.287,17
Cash flows from financing activities (3)		-2.711.588,65	21.318.055,66
Variation in cash and cash equivalents (1+2+3)		-475.879,52	24.690.947,02
Cash and cash equivalents at the beginning of the period		-7.249.081,73	-31.940.028,75
Cash and cash equivalents at the end of the period	4	-7.724.961,25	-7.249.081,73



TP 2956
MAN
71-LG-10

2168

NOTES TO THE FINANCIAL STATEMENTS

Year ended on 31 December 2013

(Amounts in euros)

1. INTRODUCTORY NOTE

Sociedade de Transportes Colectivos do Porto, S.A. was established by Decree-Law 202/94 of 23 July, as a state-owned public limited company of exclusively public capital, having succeeded Serviço de Transportes Colectivos do Porto, set up by Decree-Law 38144, of 30 December 1950 with head office residing in the city of Porto, Fernão de Magalhães Avenue, 1862 - 13th floor.

Sociedade de Transportes Colectivos do Porto, S.A. ensures the delivery of public road passenger transport on an exclusive basis within the limits of the municipality of Porto, and on a general competitive basis in the adjoining municipalities - Matosinhos, Maia, Valongo, Gondomar and Vila Nova de Gaia – within the Metropolitan Area of Porto. STCP operates mainly buses and, to a lesser extent, trams.

During the financial year of 2013 the company complied with guidelines outlined in Law 66-B/2012 particularly concerning remuneration reduction of the staff as well as cost and investment containment policy.

Pursuant to order n° 2429/13-SET an exception scheme was applied to STCP with reference to the compliance with the principle of unity of treasury, taking into account the key role of commercial banks in the company's activity.

In October of 2013, the decree-law n° 133/2013, outlined the restructuring of the legal framework which applies to public companies in order to make it more consistent and comprehensive aiming at considering core issues under the same scheme regarding all state owned companies irrespective of their legal nature. Sectoral scope was therefore extended regarding the application of the state corporate sector and the concept of public company was densified, STCP being covered by these guidelines and principles laid down in this legislative document.

In 2013, under the certification achieved in Quality, Environment and Security and Health at Work, the second follow up audit was carried out after certification renewal having taken place in 2011 that confirmed a suitable performance evaluated by efficiency levels reflected in the results of the follow up review as well as the achieved objectives.

The attached financial statements are issued in euros. Operations in foreign currency are included in the financial statements according to policies described in item 3.8.

2. ACCOUNTING STANDARDS FOR THE PREPARATION OF FINANCIAL STATEMENTS

2.1. Accounting standards adopted

The attached financial statements were produced under the provisions in force in Portugal, laid down in Decree-Law n° 158/2009, of 13 July (amended), and in accordance with the conceptual structure, accounting and financial reporting standards and con-signed interpretative standards, respectively, in notices 15652/2009, 15655/2009 and 15653/2009, of 27 August.

2.2. Derogations to the adopted accounting standards

Not applicable.

2.3. Non-comparable contents of the accounts

Not applicable.

2.4. Adoption for the first time of NCRF: Transitory disclosures

Not applicable.

3. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in the preparation of the attached financial statements are as follows:

3.1. Basis of presentation

The attached financial statements were produced under the assumption of continuity of operations based on STCP's accounting ledgers, kept in accordance with the generally accepted accounting principles.

3.2. Financial investments

Investments in subsidiaries, jointly controlled companies and associates are recorded through the equity method. Pursuant to the equity method, financial holdings are recorded at their acquisition cost and are adjusted subsequently in accordance with the alterations which occur, after their acquisition, in proportion to the shareholding in net assets of the corresponding entities. The net income includes its respective portion in the net income of these entities.

Any excess of the cost of acquisition over the fair value of the identifiable assets and liabilities of each acquired entity, on the acquisition date, is recognised as *goodwill* and is maintained in the value of the financial investment. If the difference between the acquisition cost and fair value of the acquired net assets and liabilities is negative, this value is recognised as income for the year. An assessment is made on an annual basis of the financial investments when there are indications that the asset may be impaired, with impairment losses, if any, being recognised as costs in the income statement. When impairment losses which have been recognised in the previous year no longer exist, they are reversed.

When the amount of the stake of the company in the accumulated losses of the participant exceeds the value for which the investment is recorded, the investment is reported at null value, unless the company has assumed commitments to cover the losses of the associated company, in these cases a provision being recorded to meet these obligations.

Unrealised gains in transactions with subsidiaries, jointly controlled companies and associates are eliminated in proportion to the interest of the participant in them, against the corresponding heading of the investment in the participated company. Likewise, unrealised losses are also eliminated, but only to the extent that the loss is not the result of a situation where the transferred asset is impaired.

3.3. Business combinations

Acquisitions of subsidiaries and businesses are recorded through the acquisition method. The corresponding cost is determined as the aggregate, on the acquisition date, of:

- Fair value of assets which have been or are to be delivered;
- Fair value of liabilities which have been incurred or taken on;
- Fair value of equity instruments issued by the company in exchange of control over the subsidiary; and
- Costs directly attributable to the acquisition.

When applicable, the cost of the business combination or acquisition includes the effect of contingent payments agreed under the transaction. Any subsequent alterations in these payments are recorded against the corresponding goodwill.

In the event of the initial recognition of an acquisition not being concluded by the end of the reporting period in which it occurred, the company reports provisional amounts for the items whose recognition is incomplete. These provisional amounts may be adjusted during a period of 12 months from the acquisition date.

3.4. 3.4. Non current assets held for sale

Non current assets or groups for disposal are classified as held for sale when their book value is essentially restored through a sale and not through its continued use.

This condition applies only when its sale is highly probable and the non-current assets or groups for disposal are available for immediate sale in their present conditions. The corresponding sale must be concluded within a period of one year, from the date of the

classification of the non current assets or groups for disposal as available for sale.

When the company is committed to a plan to sell a subsidiary which involves the loss of control over it, all the assets and liabilities of that subsidiary are classified as held for sale, provided that the requirements referred to in the previous paragraph are met, even if the company retains some minority interest in the subsidiary after the sale.

Non current assets or groups for disposal classified as held for sale are measured at the lowest amount between their book value before the classification and their fair value minus the costs related to their sale.

Non current assets or groups for disposal held for sale should not be the object of depreciation or amortisation.

3.5. Revenue

Revenue is measured at the fair value of the retribution which has been or will be received, taking into consideration the value of any commercial discounts and quantities granted by the entity. The difference between the fair value and the nominal value of the retribution is recognised as revenue from interests.

Revenue arising from the sale of goods is recognised when all the following conditions have been met:

- All the risks and advantages of the ownership of the goods are transferred to the buyer;
- The company does not maintain any control over the sold goods;
- The value of the revenue can be measured reliably;
- It is probable that the future economic benefits associated to the transaction will flow into the company;
- The costs incurred or to be incurred with respect to the transaction can be measured reliably.

Revenue arising from the provision of services is recognised in accordance with the percentage completion of the transaction on the reporting date, provided that all the following conditions have been met:

- The value of the revenue can be measured reliably;
- It is probable that the future economic benefits associated to the transaction will flow into the company;
- The costs incurred or to be incurred with respect to the transaction can be measured reliably;
- The percentage completion of the transaction on the reporting date can be measured reliably.

Revenue arising from royalties is recognised on an accrual basis, in accordance with the substance of the corresponding contracts, provided that it is likely that economic benefits will flow into the company and their value can be measured reliably.

The revenue from interests is recognised using the effective interest rate method, provided that it is likely that economic benefits will flow into the company and their value can be measured reliably.

Revenue arising from dividends must be recognised when the right of the company to receive the corresponding value has been established.

3.6. Construction contracts

Not applicable.

3.7. Leases

Leases are classified as financial or operating leases according to the substance of the contracts in question and not their form.

Lease contracts are classified as:

- Financial leases: if all the risks and advantages inherent to the possession of the leased asset are substantially transferred through them, or as:
- Operating leases: if all the risks and advantages inherent to the possession of the leased asset are not substantially transferred through them.

Assets acquired through financial leasing contracts, as well as the corresponding liabilities, are recorded at the beginning of the leasing at the lowest amount between the fair value of the assets and the present value of the minimum payments of the lease. Financial lease payments are divided between financial costs and reduction of the liability, in order to obtain a steady interest rate over the outstanding balance of the liability.

Operating lease payments are recognised as a cost, on a straight line basis, during the lease period. Any incentives which have been received are recorded as a liability, with their aggregate value being recognised as a reduction of the cost related to the lease, also on a straight line basis.

Contingent rents are recognised as costs for the period in which they are incurred.

3.8. Foreign currency transactions and balances

Transactions in foreign currency are recorded initially at the exchange rate of the dates of the transactions.

On each reporting date, the book values of the monetary items denominated in foreign currency are updated to the exchange rates of that date.

Any currency conversion differences arising from the updates referred to above are recorded through profit or loss for the period when they are generated.

The volume of transactions of the company in currency other than the functional currency (euro) is practically non existent and immaterial.

3.9. Financial costs incurred with received loans

Financial costs incurred with received loans are recognised as costs in the financial statement for the year when they are incurred, in accordance with the accrual principle.

The financial costs of loans received incurred with acquisition, construction or production of assets which may be qualified as such (tangible fixed assets in progress) are capitalised, and are an integral part of the cost of the asset. Capitalisation of these financial costs begins when expenses start to be incurred with asset and when the activities required to prepare the asset for its intended use or sale are in progress.

This capitalisation ceases when all the activities required to prepare the asset for its intended use or sale have been concluded substantially. The capitalisation is suspended during extensive periods when the development of the above mentioned activities is interrupted.

Any income generated by loans received, related in advance to a specific investment, are deducted from the financial costs eligible for capitalisation.

3.10. Government grants

Government grants are recognised in accordance with their fair value when there is a reasonable guarantee that they will be received and that the company will comply with the conditions required for their attribution.

Any benefit arising from a Government financing (or equivalent) at an interest rate lower than that of the market is treated as a Government grant, and is measured as the difference between the value received and the fair value of the loan determined based on market interest rates.

Non repayable Government grants related to tangible and intangible fixed assets are initially recorded in equity under the heading Other variations in equity - grants, and are subsequently charged in a systematic way to profit or loss as income, during the period of life cycle of the respective assets.

Other Government grants are in general, recognised as income in a systematic manner during the periods required to balance them with the cost they are supposed to offset. Government grants intended to offset losses that have already been incurred or which do not have associated future costs, are recognised as income for the period when they become receivable.

STCP is subject to an administrative price system implying compensatory indemnities to be awarded by the government, not repayable, in order to partially fund its operations for the discharge of public service obligations. STCP follows the criteria of recording the compensatory indemnities as operating grants in the year when they are awarded.

3.11. Post-employment benefits

The liability related to the payment of supplementary pensions, recognised on the balance sheet date, represents the present value of the liabilities related to defined benefits plans, deducted from the fair value of the net assets of the pensions fund, set up for this purpose.

As far as the defined benefit plans are concerned, the amount of liability taken is annually determined on 31 December in accordance with the Projected Unit Credit method, the actuarial assessments being made by BPI Pensões.

Costs related to past liabilities are immediately recognised through profit or loss, to the extent that the benefits have already been totally acquired.

3.12. Payments based on shares

Not applicable.

3.13. Corporation Tax

Corporation tax corresponds to the sum of current tax and deferred tax. However, since the company has no forecasted future profit, it cannot forecast the recovery of the losses which have been accumulated up to date.

Therefore, it does not recognise any deferred tax assets or liabilities, since there is no forecast possibility of deduction of future tax profits from the tax losses reported up to date.

3.14. Tangible fixed assets

Tangible fixed assets are recorded initially at acquisition cost, including the expenses imputable to the purchase (any costs directly attributable to the activities necessary to place the assets at the location and in the condition required for their operation in the intended manner) and, when applicable, the initial estimate of the costs related to the dismantling and removal of the assets and restoration of the respective places of the locations which are expected to be incurred.

Land and buildings are recorded subsequently based on the revaluation model. According to this model, the tangible fixed asset is presented at its fair value on the revaluation date minus the respective accumulated amortisations and impairment losses. The fair value of the land and buildings was determined based on the assessment made by specialised and independent appraisers (CPU Consultores de Avaliação, Lda.) as at 31 December 2012 (the previous appraisal referred to 31 December 2009) and will be reviewed periodically or whenever there are indications that its fair value differs significantly from the book value of the assets. The resulting exchange rate differences are recorded in the equity under the heading "Surplus revaluation of fixed assets, unless there is a decrease recognised previously through profit or loss. Reductions resulting from revaluation are recorded directly under the heading Surplus revaluation up to the limit of any creditor balance of the revaluation surplus of the same asset. Any surplus of the reductions relative to this creditor balance is recognised through profit or loss. When the revalued asset is derecognised, the revaluation surplus, included in the equity associated to the asset, is not reclassified through profit or loss.

On an annual basis, the revaluation surplus of tangible and intangible fixed assets is transferred to accumulated net income according to whether it is used, written-off or disposed of. Therefore, the value of the surplus to be transferred will be the difference between the depreciation based on the revalued book value of the asset and the depreciation based on the original cost of the asset.

The rest of the tangible fixed assets are recorded at acquisition or production cost, minus accumulated amortisations and any accumulated impairment losses.

Tangible fixed assets are amortised in accordance with the straight line method, in twelfths, according to the life cycle estimated for each group of assets, as of the time when the asset is in conditions to be used.

The life cycle and method of amortisation of the different goods are reviewed annually. The effect of any alteration to these estimates is recognised in the income/expenditure statement prospectively.

The amortisation rates used correspond to the following estimated periods of life cycle:

Tangible fixed asset headings	(years of life cycle)				
	Until 1988	1989 and 90	1991 to 01	2002 to 11	2012 to 13
Buildings and other constructions	8 to 100	10 to 100	10 to 50	10 to 50	10 to 50
Basic equipment	5 to 56	5 to 12	5 to 12	3 to 20	3 to 30
Transport equipment	7 to 25	5 to 12	5 to 12	4 to 12	4 to 12
Administrative equipment	6 to 10	3 to 10	3 to 10	3 to 16	3 to 16
Other tangible fixed assets	-	-	10	4 to 10	4 to 10

Maintenance and repair costs (subsequent expenditure) which are not capable of generating future economic benefits are recorded as costs for the period in which they are incurred.

The gain (or loss) arising from the disposal or write-off of a tangible fixed asset is determined as the difference between the amount received in the transaction and the book value of the asset, and is recognised through profit or loss in the period when the disposal takes place, being recorded in the income/expenditure statement as: Income and gains from non financial investments or Costs and losses from non financial investments.

3.15. Investment properties

Investments properties essentially comprise of real estate held to obtain rents or capital appreciation, and are not intended for use in the production or supply of goods or services, for administrative purposes or for sale in normal business activities.

Investment properties are recorded initially at acquisition cost, including all the expenses imputable to the purchase with the subsequent use of the fair value model.

The fair value of the investment properties is determined based on the assessment made by specialised and independent appraisers (CPU Consultores de Avaliação, Lda.). Variations in the fair value of the investment properties are recognised directly in the income and expenditure statement for the year under the heading Fair value increases/reductions.

The costs incurred in relation to investment properties in use, namely maintenance, repair, insurance and property taxes, are recognised as a cost for the year to which they refer. Any improvements which are expected to create future economic benefits are capitalised under the heading Investment property.

3.16. Intangible assets

Intangible assets are recognised only if it is likely that future economic benefits will arise thereof to the company and if the company can, reasonably, control their value. Expenditure related to research activities is recorded as costs for the period in which they are incurred.

Intangible assets acquired separately are recorded at acquisition or production cost, minus accumulated amortisation and impairment losses. The amortisation is recognised on a straight line basis during the estimated life cycle of the intangible assets. The life cycle and method of amortisation of the different assets are reviewed annually. The effect of any alteration to these estimates is recognised in the income/expenditure statement prospectively.

Intangible assets generated internally arising from expenditure on project development are recognised only if all the following conditions are complied with and proved to be met:

- Existence of technical feasibility to conclude the intangible asset so that it is available for use or sale;
- Existence of the intention to conclude the intangible asset and use or sell it;
- Existence of capacity to use or sell the intangible asset;
- The intangible asset is capable of generating future economic benefits;
- Existence of the availability of adequate technical and financial resources to conclude the development of the intangible asset and use or sell it;
- Possibility of the reliable measurement of the expenditure associated to the intangible asset during their development phase.

The initially recognised value of the intangible asset, generated internally, consists of the sum of the expenditure incurred after the date when the conditions described above are met. When these conditions are not met, the expenditure incurred during the development phase is recorded as costs for the period.

Intangible assets essentially comprise of development expenditure, where the criteria for the recognition of the assets are met, expenses related to industrial property, commercial rights and other rights.

Intangible assets generated internally are recorded at acquisition cost, minus accumulated amortisation and impairment losses. The amortisation is recognised on a straight line basis during the estimated life cycle of the intangible assets. The life cycle and method of amortisation of the intangible assets are reviewed annually. The effect of any alteration to these estimates is recognised in the income/expenditure statement prospectively.

Intangible assets (irrespective of how they are acquired or generated) with an undefined life cycle are not subject to amortisation, but rather to impairment tests on an annual basis, or else, whenever there is indication that they might be impaired.

3.17. Impairment of tangible and intangible fixed assets excluding goodwill

On each reporting date a review is made of the book values of the company's tangible and intangible fixed assets with a view to determining if there is any indication that they might be impaired. If any indication exists, an estimate is made of the recoverable value of the respective assets so as to determine the extent of the impairment loss. When it is not possible to determine the recoverable value of an individual asset, an estimate is made of the recoverable value of the unit generating the cash flow to which this asset belongs.

The recoverable value of the asset or unit generating the cash flow to which this asset belongs consists of the highest value between:

- the fair value minus the costs of its sale and
- the value of its use.

In the determination of the value of its use, the estimated future cash flows are discounted using a pre-tax discount rate which reflects market expectations on the time value of money and the specific risks of the asset or unit generating the cash flow, relative to which the estimated future cash flow has been adjusted.

Whenever the book value of the asset or unit generating the cash is higher than its recoverable value, an impairment loss is recognised. The impairment loss is recorded immediately in the income/expenditure statement, under the heading Impairment losses, unless this loss offsets a revaluation surplus recorded in the equity. In this last case, the loss will be treated as decrease of revaluation.

A reversal of impairment losses, recognised in previous years, is recorded when there is evidence that the recognised impairment losses no longer exist or have decreased. A reversal of impairment losses is recognised immediately in the income/expenditure statement under the heading Reversal of impairment losses. The reversal of the impairment loss is made up to the amount that would have been recognised (net of amortisation) if the impairment loss had not been recorded.

3.18. Inventories

Inventories are recorded at the lowest value between the acquisition cost and the net realisable value. The net realisable value represents the estimated sales price minus all the estimated costs required to conclude the inventories and carry out their sale.

Subsidiary raw materials and consumables are stated at acquisition cost, using the average cost as costing method.

3.19. Provisions

Provisions are recognised only when the company has a present obligation (legal or implicit) arising from a past event. It is likely that in order to settle this obligation there will be an outflow of resources and the amount of the obligation can be estimated reasonably. The recognised amount of the provisions consists of the present value of the best estimate on the reporting date of the resources required to settle the obligation. This estimate is determined taking into consideration the risks and uncertainties associated to the obligation.

Provisions are reviewed on each reporting date and adjusted to reflect the best estimate of its fair value on that date.

Present obligations arising from onerous contracts are recorded and measured as provisions. An onerous contract exists whenever the company is an integral part of the provisions of an agreement contract, whose compliance is associated to costs that cannot be avoided and which exceed the economic benefits derived there of.

A provision is recognised for restructuring when STCP develops a detailed formal restructuring plan, begins its implementation and announces its main components to those affected by it. The measurement of the restructuring provision considers only expenditure which arises directly from the implementation of the corresponding plan, and, consequently, not related to the company's current activities.

Contingent liabilities are not recognised in the financial statements, but are always disclosed whenever the possibility of an outflow of resources, involving economic benefits, is not remote. Contingent assets are not recognised in the financial statements, but are always disclosed whenever it is likely that there will be a future economic inflow of resources.

3.20. Financial assets and liabilities

Financial assets and liabilities are recognised in the balance sheet whenever the company becomes a part in the corresponding contractual provisions.

Financial assets and liabilities are measured as follows:

- at cost or amortised cost; or
- at fair value with the fair value alterations recognised in the income and expenditure statement.

Financial assets and liabilities are measured at amortised cost when they present the following characteristics simultaneously:

- They are considered sight or have a defined maturity;
- They are associated to a fixed or determinable return;
- They are not a derivative financial instrument or do not incorporate a derivative financial instrument.

These financial assets and liabilities are measured at amortised cost minus accumulated impairment losses (in the case of financial assets).

Also classified in the cost or amortised cost category, thus measured at amortised cost minus accumulated impairment losses, are contracts which grant or secure loans that cannot be settled on a liquid basis and that, when executed, meet the conditions described above.

Investments in equity instruments which are not traded publicly and whose fair value cannot be determined reliably, as well as derivative financial instruments related to these equity instruments, are also classified in the cost or amortised cost category, thus being measured at cost minus accumulated impairment losses.

Amortised cost is determined through the effective interest rate method. The effective interest rate is the rate which exactly discounts the estimated future payments or revenue, during the expected life of the financial instrument, based on the net book value of the financial asset or liability.

All financial assets and liabilities not classified in the cost or amortised cost category are classified in the category of fair value with the fair value alterations recognised in the income/expenditure statement.

These financial assets and liabilities are measured at fair value, with their variations being recorded through profit or loss under the headings Fair value reductions and Fair value increases.

Impairment of financial assets:

- Financial assets classified in the cost or amortised cost category are subject to impairment tests on each reporting date. These financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events which have occurred after their initial recognition, their estimated future cash flow is affected. For financial assets measured at amortised cost, the impairment loss to be recognised corresponds to the difference between the book value of the asset and the present value of the new estimated future cash flow, discounted at the respective original effective interest rate.
- For financial assets measured at cost, the impairment loss to be recognised corresponds to the difference between the book value of the asset and the best estimate of the present value of the asset.
- Impairment losses are recorded through profit and loss, under the heading Impairment losses, for the period when they are determined.
- Subsequently, if the value of the impairment loss decreases and this reduction can be related objectively to an event which has taken place after the recognition of the loss, it should be reflected through profit or loss. The reversal should be made up to the amount that would be recognized (amortised cost) if the loss had not been recorded initially. The reversal of impairment losses is recorded through profit or loss, under the heading Reversals of impairment losses. The reversal of impairment losses recorded for investments in equity instruments (measured at cost) is not permitted.

Derecognition of financial assets and liabilities:

- The company derecognises financial assets when contractual rights to their cash flows have expired, or when the financial assets and all the significant risks and benefits associated to their possession are transferred to another entity. Transferred financial assets relative to which the company has retained some significant risks and benefits are derecognised, provided that the control over them has been assigned.
- The company derecognises financial liabilities only when the corresponding obligation is settled, cancelled or has expired.

Compound instruments:

- Compound instruments are financial instruments that include a financial liability component and an equity instrument component. These two components are presented in the balance sheet separately, according to the substance of the corresponding contractual provisions.
- The distinction between financial liability and equity instrument is made according to the substance of the associated contractual provisions.
- In the initial recognition of a compound instrument, the financial liability component is determined based on the market interest rates for similar non-compound instruments. This component is measured at amortised cost, based on the effective interest rate method. The equity component is determined by the difference between the value received and the value of the financial liability component, and is recorded in the equity. The equity component is not measured subsequently.

3.21. Derivative financial instruments and hedge accounting

STCP uses derivatives in the management of its financial risks solely as a way to guarantee the hedging of these risks, therefore financial derivative instruments are not used for speculative purposes.

Derivative instruments used by the company concern interest rate swap operations in order to hedge against the risk of interest rate variation of loans received. The value of the loans, due dates for the interest and maturity of the repayment plans of the loans underlying the interest rate hedging instruments are, in substance, identical to the conditions established for the contracted loans. However, the necessary requirements for the qualification of hedge accounting are not met.

Derivative financial instruments are recorded initially at their fair value on the date when they are contracted. On each reporting date they are remeasured at fair value, with the corresponding re-measurement gain or loss being recorded immediately through profit and loss, unless these instruments are designated hedging instruments.

A derivative financial instrument with positive fair value is recognised as a financial asset under the heading Other financial instruments - Derivatives. A derivative instrument with negative fair value is recognised as a financial liability, under the heading Other financial instruments - Derivatives.

A derivative financial instrument is presented as non current if its remaining maturity is longer than 12 months and its realisation or settlement is not expected within that term limit.

The criteria for the application of the hedge accounting rules are as follows:

- Adequate documentation of the hedging operation;
- The risk to be hedged against is one of the risks described in NCRF 27 - Financial instruments;
- It is expected that the alterations in the fair value or cash flow of the hedged item, attributable to the risk to be hedged against is practically offset by the alterations in the fair value of the hedging instrument.

At the beginning of the hedge, the company documents:

- the relationship between the hedging instrument and the hedged item;
- its risk management objectives and strategy; and
- its assessment of the effectiveness of the hedging instrument to offset variations in the fair values and cash flow of the hedged item.

Variations in the fair value of the derivative financial instruments designated as hedging instruments under the hedging against the risk of variability in interest rates, exchange rate risk, merchandise price risk, in the context of a commitment or a highly likely future transaction, and net investment risk in a foreign operation, are recorded in equity, under the heading Other reserves. These gains or losses recorded under Other reserves are reclassified to profit or loss in the periods when the hedged item affects profit or loss, and are stated in the line allocated to the hedged item.

Hedge accounting is discontinued when the company revokes the hedging relationship, when the hedging instrument expires, is sold or is exercised, or when the hedging instrument no longer qualifies for hedge accounting. Any amount recorded under Other reserves is only reclassified to profit or loss when the hedged position affects profit or loss. When the hedged position consists of a future transaction and it is not expected that it will occur, any amount recorded under Other reserves is immediately reclassified to profit or loss.

3.22. Exploration and assessment of mineral resource

Not applicable.

3.23. Agriculture

Not applicable.

3.24. Critical value judgements and main sources of uncertainty associated to estimates

The preparation of the attached financial statements included value judgements and estimates, and various assumptions were made which affect the reported values of assets and liabilities, as well as the reported values of income and costs for the period. The underlying estimates and assumptions were determined based on the best knowledge existing on the date of approval of the financial statements of the events and transactions underway, as well as the experience of past and/or current events. However, situations may occur in subsequent periods that, not having been forecast on the date of approval of the financial statements, were not considered in these estimates. Any alterations to the estimates which occur subsequently to the date of the financial statements will be corrected in a prospective manner. For this reason, and in view of the associated degree of uncertainty, the real results of the transactions in question may differ from the corresponding estimates.

The main value judgements and estimates made in the preparation of the attached financial statements were as follows:

- Life cycle of tangible and intangible assets;
- Analyses of the impairment of tangible and intangible assets;
- Recording of the impairment of asset values, namely inventories and accounts receivable;
- Provisions;
- Calculation of the liability associated to the pensions funds;
- Calculation of the fair value of derivative financial instruments;
- Calculation of the fair value of the investment properties, land and buildings included in the tangible fixed assets.

3.25. Subsequent events

Events occurring after the balance sheet date providing additional information about conditions that existed on the balance sheet date ("*adjusting events*") are reflected in the financial statements. Events after the balance sheet date providing additional information about conditions that existed after the balance sheet date ("*non adjusting events*") are disclosed in the notes to the financial statements, when considered materially relevant.

4. CASH FLOW

For cash flow statement purposes, the heading Cash and cash equivalents includes besides cash, bank deposits repayable on demand and cash investments on the monetary market, bank overdrafts and other equivalent short term loans.

Breakdown of cash and cash equivalents, on 31 December 2013 and 2012:

	2013	2012
Cash	71.516,32	81.361,35
Bank deposits	68.450,32	264.505,56
Cash and cash equivalents in the Balance Sheet	139.966,64	345.866,91
Bank overdrafts	-7.864.927,89	-7.594.948,64
Cash and cash equivalents in the Cash Flow Statement	-7.724.961,25	-7.249.081,73

5. ACCOUNTING POLICIES, ALTERATIONS TO ACCOUNTING ESTIMATES AND ERRORS

During the financial year there were no alterations to the accounting policies or corrections of materially relevant errors of previous periods.

In 2012 a review was carried out to the estimate for tram life cycle having been changed from 16 to 30 years. The impact of this alteration on the accounts for 2012 is not materially relevant.

6. RELATED PARTIES

Financial holdings as at 31 December 2013 and 2012:

Corporate Name	Head Office	% Share	Activity
Subsidiaries			
STCP Serviços – Transportes Urbanos, Consultoria e Participações, Unipessoal Lda.	Porto	100%	Activities of tourist operator and land urban and suburban passenger transport.
Associated companies			
TIP - Transportes Intermodais do Porto, ACE	Porto	33,3%	Transport ticketing management.
Transpublicidade – Publicidade em Transportes, S.A.	Oeiras	20%	Commercialised advertising in vehicles and facilities.
Outras participadas			
Metro do Porto, S.A.	Porto	16,6%	Urban and local light rail transport.
OPT - Optimização e Planeamento de Transportes, SA	Porto	8,33%	Development of I&D projects in the area of public transport providing advanced computer solutions for the management and optimisation of transport systems.

Remuneration of the Governing Bodies' members during the years ended in 2013 and 2012 is described in item 4.3 of this annual report and accounts.

In the course of the financial years of 2013 and 2012, the following transactions were carried out with related parties:

Description of transactions	2013				Total
	Subsidiaries	Associated companies	Management staff	Other related parties	
Purchase of fixed assets				41.250,00	41.250,00
Services received	-499,06	1.141.511,85		144.719,96	1.285.732,75
Services delivered	132,68	37.416.441,76		252.833,65	37.669.408,09

Description of transactions	2012				Total
	Subsidiaries	Associated companies	Management staff	Other related parties	
Purchase of inventories	5.968,25				5.968,25
Purchase of fixed assets	25.349,41			41.250,00	66.599,41
Services received	15.012,20	2.111.760,29		109.895,15	2.236.667,64
Services delivered	30.992,89	42.397.299,29		223.287,66	42.651.579,84

Balances with related parties in 2013 and 2012:

Balances	2013				Total
	Subsidiaries	Associated companies	Management staff	Other related parties	
Current accounts receivable	163,19	2.469.119,50		62.577,50	2.531.860,19
Current accounts payable	3.395,10	620.646,37		85.884,90	709.926,37

Balances	2012				Total
	Subsidiaries	Associated companies	Management staff	Other related parties	
Current accounts receivable		1.821.168,81		24.281,96	1.845.450,77
Current accounts payable	8.169,11	341.390,71		68.549,33	418.109,15

7. INTANGIBLE ASSETS

During the years ended on 31 December 2013 and 2012, the movement occurred in the book value of intangible assets, as well as in the respective accumulated amortisations and impairment losses, was as follows:

Intangible assets	Development projects	Computer programmes	Industrial property	Other intangible assets	Intangible assets in progress	Total
Net value as at 01.01.2013		318.243,10	1.776,50	977.423,35	41.250,00	1.338.692,95
Gross assets						
Balance as at 01.01.2013	88.749,10	5.022.563,50	98.439,49	1.106.517,00	41.250,00	6.357.519,09
Movements in 2013						
Additions					41.250,00	41.250,00
Write-offs/sales						
Adjustments and transfers						
Balance as at 31.12.2013	88.749,10	5.022.563,50	98.439,49	1.106.517,00	82.500,00	6.398.769,09
Accumulated amortisations						
Balance as at 01.01.2013	-88.749,10	-4.704.320,40	-96.662,99	-129.093,65		-5.018.826,14
Movements in 2013						
Amortisation costs		-137.848,86	-277,80	-221.303,40		-359.430,06
Balance as at 31.12.2013	-88.749,10	-4.842.169,26	-96.940,79	-350.397,05		-5.378.256,20
Net value as at 31.12.2013		180.394,24	1.498,70	756.119,95	82.500,00	1.020.512,89

Intangible assets	Development projects	Computer programmes	Industrial property	Other intangible assets	Intangible assets in progress	Total
Net value as at 01.01.2012		445.980,23			50.763,00	496.743,23
Gross assets						
Balance as at 01.01.2012	88.749,10	5.006.024,51	96.639,49		50.763,00	5.242.176,10
Movements in 2012						
Additions		16.538,99	1.800,00	1.106.517,00	41.250,00	1.166.105,99
Write-offs/sales						
Adjustments and transfers					-50.763,00	-50.763,00
Balance as at 31.12.2012	88.749,10	5.022.563,50	98.439,49	1.106.517,00	41.250,00	6.357.519,09
Accumulated amortisations						
Balance as at 01.01.2012	-88.749,10	-4.560.044,28	-96.639,49			-4.745.432,87
Movements in 2012						
Amortisation costs		-144.276,12	-23,50	-129.093,65		-273.393,27
Balance as at 31.12.2012	-88.749,10	-4.704.320,40	-96.662,99	-129.093,65		-5.018.826,14
Net value as at 31.12.2012		318.243,10	1.776,50	977.423,35	41.250,00	1.338.692,95

The company does not capitalise any research costs and development costs are capitalised only when recognition criteria set out in NCRF are met.

Following analysis of intangible assets, it was decided that there are no assets with an undefined life cycle. Amortisations were calculated according to the following estimated life cycles:

Intangible fixed assets headings	Years of life cycle
Development projects	3
Computer programmes	2 a 5
Industrial property	3 a 7
Other intangible assets	5

Movements occurred during the financial years of 2013 and 2012 in intangible assets in progress:

	Balance 01.01.2013	Acquisitions	IHW(*)	Adjustments and transfers	Write-offs/ sales	Balance 31.12.2013
Computer programmes	41.250,00	41.250,00				82.500,00
	41.250,00	41.250,00				82.500,00

	Balance 01.01.2012	Acquisitions	IHW(*)	Adjustments and transfers	Write-offs/ sales	Balance 31.12.2012
Computer programmes	50.763,00	41.250,00		-50.763,00		41.250,00
	50.763,00	41.250,00		-50.763,00		41.250,00

(*) IHW – In-house Works

During 2013, contractual commitments were made for the acquisition of intangible assets totaling 27.500 euros.

2956



8. TANGIBLE FIXED ASSETS

During the years ended on 31 December 2013 and 2012, the movement occurred in the book value of fixed tangible assets, as well as in the respective accumulated amortisations and impairment losses, was the following:

Tangible fixed assets	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Administrative equipment	Other tangible assets	Tangible assets in progress	Advances on account of tangible assets	Total of tangible fixed assets
Net value as at 01.01.2013	32.509.561,00	19.819.174,92	27.588.488,00	103.847,11	170.702,73	1.091.193,11	523.791,70		81.806.758,57
Gross assets									
Balance as at 01.01.2013	35.091.899,83	32.772.573,46	85.693.951,41	1.541.724,05	4.278.439,09	1.845.410,51	523.791,70		161.747.790,05
Movements in 2013									
Revaluations									
Additions		47,54	3.608,65		22.527,89				26.184,08
Write-offs/sales		-36.027,44	-1.378.723,89		-34.921,66		-51.552,91		-1.501.225,90
Adjustments and transfers	-4.404.753,85	54.403,98	2.970,17				-387.614,21		-4.734.993,91
Balance as at 31.12.2013	30.687.145,98	32.790.997,54	84.321.806,34	1.541.724,05	4.266.045,32	1.845.410,51	84.624,58		155.537.754,32
Accumulated depreciations									
Balance as at 01.01.2013		-12.821.902,68	-58.105.463,41	-1.437.876,94	-4.107.736,36	-754.217,40			-77.227.196,79
Movements in 2013									
Depreciation and amortisation costs		-1.340.264,19	-3.981.567,67	-52.398,65	-57.106,84	-266,46			-5.431.603,81
Revaluations									
Write-offs/sales		19.707,00	1.371.705,67		34.563,84				1.425.976,51
Adjustments and transfers									
Balance as at 31.12.2013		-14.142.459,87	-60.715.325,41	-1.490.275,59	-4.130.279,36	-754.483,86			-81.232.824,09
Accumulated impairment losses									
Balance as at 01.01.2013	-2.582.338,83	-131.495,86							-2.713.834,69
Transfers	2.478.653,85								2.478.653,85
Reversals									
Balance as at 31.12.2013	-103.684,98	-131.495,86							-235.180,84
Net value as at 31.12.2013	30.583.461,00	18.517.041,81	23.606.480,93	51.448,46	135.765,96	1.090.926,65	84.624,58		74.069.749,39

Additions row of 2013 include 47,54 euros of in-house works for buildings and other constructions

Tangible fixed assets	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Administrative equipment	Other tangible assets	Tangible assets in progress	Advances on account of tangible assets	Total of tangible fixed assets
Net value as at 01.01.2012	37.125.349,10	18.777.845,14	31.155.222,64	194.407,65	239.395,68	1.097.072,68	2.075.298,45	24.726,00	90.689.317,34
Gross assets									
Balance as at 01.01.2012	39.246.902,95	28.968.601,69	87.851.436,05	1.842.987,24	4.305.217,80	1.332.854,01	2.075.298,45	24.726,00	165.648.024,19
Movements in 2012									
Revaluations	-4.155.003,12	3.080.378,57							-1.074.624,55
Additions		379.847,74	708.876,52	2.063,33	19.673,33		64.539,15		1.175.000,07
Write-offs/sales			-2.438.961,94	-303.296,53	-46.452,04				-2.788.710,51
Adjustments and transfers		343.745,46	-427.399,22	-29,99		512.556,50	-1.616.045,90	-24.726,00	-1.211.899,15
Balance as at 31.12.2012	35.091.899,83	32.772.573,46	85.693.951,41	1.541.724,05	4.278.439,09	1.845.410,51	523.791,70		161.747.790,05
Accumulated depreciations									
Balance as at 01.01.2012		-10.007.517,14	-56.696.213,41	-1.648.579,59	-4.065.822,12	-235.781,33			-72.653.913,59
Movements in 2012									
Depreciation and amortisation costs		-1.145.331,12	-4.212.176,42	-92.623,87	-87.402,56	-5.879,57			-5.543.413,54
Revaluations		-1.579.153,89							-1.579.153,89
Write-offs/sales			2.200.499,38	303.296,53	45.488,32				2.549.284,23
Adjustments and transfers		-89.900,53	602.427,04	29,99		-512.556,50			
Balance as at 31.12.2012		-12.821.902,68	-58.105.463,41	-1.437.876,94	-4.107.736,36	-754.217,40			-77.227.196,79
Accumulated impairment losses									
Balance as at 01.01.2012	-2.121.553,85	-183.239,41							-2.304.793,26
Increases	-460.784,98								-460.784,98
Reversals		51.743,55							51.743,55
Balance as at 31.12.2012	-2.582.338,83	-131.495,86							-2.713.834,69
Net value as at 31.12.2012	32.509.561,00	19.819.174,92	27.588.488,00	103.847,11	170.702,73	1.091.193,11	523.791,70		81.806.758,57

Additions, adjustments and transfers rows of 2012, include 63.763,23 euros of in-house works (20.083,05 euros for basic equipment and 43.680,18 euros for tangible fixed assets in progress).

The company requested a new independent appraisal (CPU Consultores de Avaliação, Lda.) of its lands and buildings (all of them located in the area of Greater Porto) classified as tangible fixed assets and a revaluation was set on 31 December 2012.

Revaluation consisted of setting the market value of buildings and land for accounting purposes, meeting accounting standards and financial report n.º7 as well as the terms of reference given by the company. Reference date of assessment is 31 December 2012.

Under the assessment, Fair Value was assessed based on Market Direct Comparison of Costs and Income criteria – Direct Capitalisation Method taking into account current amounts charged for similar purposes comparable to the use under assessment in compliance with provisions set out in NCRF 7.

“Fair Value” can be defined as “the amount for which an asset may be exchanged (...), between knowledgeable and willing parties, in a transaction on which there is no relationship between the parties”. Fair Value is usually the “Market Value” set by qualified expert appraisers.

Under certain circumstances, particularly when due to the specific nature of the property and if it is seldom sold except as an integral part of a “continued business”, “Fair Value” can be attributed using a “Depreciated Replacement Cost” and “income” approach.

Attention should be drawn to the fact that in this evaluation process – for tangible fixed assets considering the continued use, the

assessment did not take into account any constraints of commercial nature or economic obsolescence of the business or activities to be carried out at the premises, property being assessed just as it was with its current use.

Assumptions for the assessment used in the determination of the fair value were as follows:

- Revaluation was based on a visit made to the exterior area of some buildings and a visit to two buildings (Francos and Mas-sarelos) where there was a change of assumptions; For all the buildings, information on the surroundings and local real estate market was updated, a survey having been conducted about market prices currently charged for similar and comparable property or buildings. A report was produced based on the previous property assessment report (N-5168 of December 2009).
- In order to obtain the value of each property the following main factors were taken into consideration such as location, access, existing size, characteristics and current state of conservation.
- Current market values relative to properties with similar potential use and similar location were also used as a reference.
- Property areas that were taken into account are the same as the ones that have been considered on the previous revaluation through details given by STCP to CPU appraisers.
- It was assumed that all properties are free of charge.
- Valuation of the infrastructures allocated to each property - flooring, water supply and distribution networks, wastewater and rainwater drainage networks, electricity distribution grids, etc. – were considered and included in the overall valuation of each property.

If the “land and natural resources” and “buildings and other constructions” had been recognised pursuant to the cost model, book value would be respectively:

Heading	2013	2012
Land and natural resources	2.416.292,84	4.342.392,84
Buildings and other constructions	7.188.812,79	7.555.953,45
	9.605.105,63	11.898.346,29

No disclosures were made of restrictions on the ownership of assets, or of fixed assets given to guarantee liabilities, since there are no situations falling under this context. Therefore, sub-paragraph a) of paragraph 73 of the NCRF 7 is not applicable.

During the year of 2013, contractual commitments were made for the acquisition of tangible fixed assets, in the amount of 59.760,40 euros (disclosure pursuant to sub-paragraph c) of paragraph 73 of NCRF 7).

Movements occurred during the financial years of 2013 and 2012, in the values of tangible assets in progress:

	Balance 01.01.2013	Acquisitions	IHW(*)	Adjustments and transfers	Write-offs/ sales	Balance 31.12.2013
Buildings and other constructions	64.539,15			-64.539,15		
Basic equipment	459.252,55			-323.075,06	-51.552,91	84.624,58
	523.791,70			-387.614,21	-51.552,91	84.624,58

	Balance 01.01.2012	Acquisitions	IHW(*)	Adjustments and transfers	Write-offs/ sales	Balance 31.12.2012
Buildings and other constructions	866.980,68	20.858,97	43.680,18	-866.980,68		64.539,15
Basic equipment	1.208.317,77			-749.065,22		459.252,55
	2.075.298,45	20.858,97	43.680,18	-1.616.045,90		523.791,70

In the financial year of 2013 there were no movements in advances for tangible fixed assets.

Movements occurred in the financial year of 2012 in advances for tangible fixed assets.

	Balance 01.01.2012	Acquisitions	IHW(*)	Adjustments and transfers	Write-offs/ sales	Balance 31.12.2012
Land and natural resources	24.726,00			-24.726,00		
	24.726,00			-24.726,00		

(*) IHW- In house Works

9. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATING UNITS

The company has no assets under these conditions.

10. LEASES

10.1. Financial leases - lessees

During 2013 and 2012, the company paid financial lease instalments in the amount of 5.823.486,02 euros (including 546.760,06 euros of interests) and 6.265.775,72 euros (including 864.495,09 euros of interests), respectively.

As at 31 December 2012 and 2011, the company had liabilities as a lessee, concerning instalments of financial leasing contracts totaling 20.547.213,35 euros and 23.484.510,16 euros, respectively (including VAT when it is not deductible), falling due during the following years, as shown in the table below:

Years	2013			2012		
	Discounted value minimum payments	Interests	Total	Discounted value minimum payments	Interests	Total
2013				4.289.582,77	445.448,58	4.735.031,35
2014	4.392.918,14	337.438,15	4.730.356,29	4.393.303,77	336.264,59	4.729.568,36
2015	4.819.214,31	229.413,66	5.048.627,97	4.819.245,92	228.736,88	5.047.982,80
2016	1.855.598,35	115.414,65	1.971.013,00	1.855.769,72	115.022,48	1.970.792,20
2017	1.883.154,19	87.858,81	1.971.013,00	1.883.234,09	87.558,11	1.970.792,20
2018	1.911.119,29	59.893,72	1.971.013,01	1.911.104,87	59.687,30	1.970.792,17
After 2018	3.023.070,35	36.824,34	3.059.894,69	3.022.854,60	36.696,48	3.059.551,08
Total	17.885.074,63	866.843,33	18.751.917,96	22.175.095,74	1.309.414,42	23.484.510,16

As at 31 December 2013 and 2012, net book value for each category of assets under financial leasing scheme was as follows:

Description	2013			2012		
	Acquisition value	Accumulated amortisations	Net value	Acquisition value	Accumulated amortisations	Net value
Investment properties						
Land and natural resources	2.460.351,85		2.460.351,85	2.460.351,85		2.460.351,85
Tangible fixed assets						
Basic equipment	33.858.200,00	14.233.241,18	19.624.958,82	34.131.350,78	11.785.206,51	22.346.144,27
Total	36.318.551,85	14.233.241,18	22.085.310,67	36.591.702,63	11.785.206,51	24.806.496,12

10.2 Operational Leasing

During the years of 2013 and 2012, costs of 5.436.621,31 euros and 5.871.113,00 euros respectively, were recognised regarding operational leasing contract instalments.

As at 31 December 2013 and 2012, instalments of operating lease contracts showed the following maturity dates:

Years	2013	2012
2013		4.716.724,09
2014	3.091.673,14	3.103.644,93
2015	1.610.802,07	1.620.131,50
Total	4.702.475,21	9.440.500,52

11. COSTS OF LOANS RECEIVED

Financial costs concerning loans received are usually recognised as costs in accordance with the accrual accounting principle, using their effective interest rate for this purpose.

Interests and similar costs paid and recognised in the financial years of 2013 and 2012 were as follows:

	2013	2012
Interests – received loans	14.442.268,64	15.008.082,91
Interests – credit and financial institutions	9.777.903,36	9.418.329,76
Bank loans	8.992.356,39	7.863.595,90
Bank overdrafts	346.500,39	861.751,51
Loans	439.046,58	692.982,35
Financing interests for securities - bonds	4.664.365,28	5.589.753,15
Interests of other financial instruments	4.452.006,61	4.025.429,67
Other financing costs and other financing losses – relative to loans received	2.455.749,77	1.918.183,34
Costs related to discounts on financial issues	34.419,93	36.151,28
Endorsement fee	442.777,66	442.725,35
Commissions and other costs	1.259.792,27	870.880,30
Stamp duty on use of capital	718.759,91	568.426,41
Interests and similar costs paid	21.350.025,02	20.951.695,92
Fair value reduction losses – financial instruments		42.269.392,38
Interests and similar costs paid in the income and expenditure statement	21.350.025,02	63.221.088,30

Interests and similar income received recognised in the financial years of 2013 and 2012:

	2013	2012
Interests received	652,98	6.108,96
From deposits	5,22	0,33
From other granted financing	647,76	6.108,63
Other financing income and gains		1,44
Actual interests and similar income received	652,98	6.110,40
Fair value increase gains – financial instruments	12.591.639,28	
Interests and similar income received in income and expenditure statement	12.592.292,26	6.110,40

Fair value increase gains including derivative financial instruments amount to 7.717 thousand euros related to costs incurred with cancellation in advance of one of the operations.

The company did not capitalise the costs of assets seeing that it does not have any which qualify as such.

12. 12. INVESTMENT PROPERTY

As at 31 December 2013 and 31 December 2012, the company applied fair value to investment properties having been determined through assessment made by a specialised and independent entity of recognised professional qualification (CPU Consultores de Avaliação, Lda.)

Assessment carried out by the appraisal entity consisted of determining the market value of properties and land, for accounting purposes, in observance of requirements of the accounting standard as well as financial report of n.º 11 and terms of reference indicated by the company. Reference date of the assessment was 31 December 2013 and 31 December 2012, respectively for the years of 2013 and 2012.

Market value to be determined for accounting purposes, can be compared to definition stipulated in SNC as “Fair Value”. Under the assessment, Fair Value will be calculated through Market Direct Comparison and Costs and Income criteria – Direct Capitalisation Method or “Discounted Cash Flows” Method and taking into account current amounts charged for similar purposes comparable to the use under assessment in compliance with provisions set out in NCRF 11.

Assumptions for the assessment used to determine fair value were as follows:

- Assessment was based on a visit made to the exterior area of some buildings.
- For the total number of buildings updated information on the surroundings and local real estate market was provided, a survey having been conducted about market prices currently charged for similar and comparable property or buildings.
- In order to obtain the value of each property the following main factors were taken into consideration such as location, access, existing size, characteristics and current state of conservation. Current market values relative to properties with similar potential use and similar location were also used as a reference.
- Property areas that were taken into account are the same as the ones that have been considered on the previous revaluation through details given by STCP to CPU appraisers.
- It was assumed that all properties are free of charge.

Investment properties were assessed in a perspective of alternative use. Their market value was determined and considered free and available – this amount corresponding to its value under an alternative use.

Under the principle of the best alternative use, the market value of the property is based on the analysis of the rate of return of the development project consistent with its best possible use or, if any, in accordance with any other development projects. The best alternative use is defined as the probable and reasonable use that, on the assessment date generates the highest current value.

In this way, in order to assess the value of the properties, market and income comparison criteria were used in some cases through the direct capitalisation method and, in other cases, the residual value method.

The fair value is defined in NCRF 11, paragraph 38, as “the price at which the property may be exchanged between knowledgeable willing parties, in a transaction where there is no relationship between the parties”.

In this way, requirements established in NCRF 11 for the determination of the market value of properties were met.

Over the financial year ended as at 31 December of 2013 and 2012 the movement occurred in the heading investment properties, was as follows:

Investment properties	2013			Total
	Land and natural resources	Buildings and other constructions	Advances on account invest. properties	
Balance as at 01.01.2013	2.542.210,00	1.022.090,00	24.726,00	3.589.026,00
Fair value variation	-216.200,00	-20.370,00		-236.570,00
Fair value variation /revaluation surplus reversal	-13.400,00	-11.930,00		-25.330,00
Transfers	1.926.100,00			1.926.100,00
Balance as at 31.12.2013	4.238.710,00	989.790,00	24.726,00	5.253.226,00

Investment properties	2012			Total
	Land and natural resources	Buildings and other constructions	Advances on account invest. properties	
Balance as at 01.01.2012	3.269.740,00	1.264.560,00		4.534.300,00
Fair value variation	-254.540,00	-54.460,00		-309.000,00
Fair value variation /revaluation surplus reversal	-472.990,00	-188.010,00		-661.000,00
Transfers			24.726,00	24.726,00
Balance as at 31.12.2012	2.542.210,00	1.022.090,00	24.726,00	3.589.026,00

The company has not made any contractual commitment in relation to construction, development, repairs and maintenance of investment properties.

Over the years of 2013 and 2012, income and costs regarding investment properties were as follows:

Investment properties	2013		2012	
	Rented	For appreciation	Rented	For appreciation
Income				
Income from rents	247.442,64		252.517,56	
Costs				
Direct costs	-29.832,02	-5.005,97	-29.737,57	12.184,90
Total	217.610,62	-5.005,97	222.779,99	12.184,90

13. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

STCP is a state owned public limited company with exclusively public capital, whose main objective is not the profit, but the provision of a social service of transport instead, without any commercial justification, it should be financially offset by this significant share of service that must ensure, and it is hoped that this position will be clarified under the public service contracting process that is currently underway.

In this context, we believe that the historic situation of creation of successive losses does not reflect an indication of impairment, but rather a deficit in the State's compliance with the duty to fund the social activities it imposes.

When any asset shows indications of impairment, either due to technical or material obsolescence an analysis of impairment is made and any losses arising thereof are recognised.

Furthermore, attention is drawn to the fact that for the category of Buildings and land, market assessments were carried out by independent appraisers over the years of 2012 and 2013, as well as for the category of assets classified as investment properties and in the year of 2012 for the category of assets classified as tangible fixed assets, whereby in some cases, the corresponding impairment loss was identified and recorded.

In 2013 no movements occurred in impairment losses of tangible fixed assets. On 31 December 2012, movements in impairment losses of tangible fixed assets were recorded under the following headings:

Tangible fixed assets 2012	
Income and expenditure statement – Impairment losses-tangible fixed assets	409.041,43
- Increases	460.784,98
- Reversals	-51.743,55
Equity – Revaluation surpluses	4.216.621,53
- Revaluation surplus reversal-impairment losses of tangible fixed assets	4.216.621,53

Accumulated impairment losses of tangible fixed assets, as at 31 December 2013 and 2012 are detailed in note 8.

14. FINANCIAL HOLDINGS VALUED THROUGH EQUITY METHOD

As at 31 December 2013 and 2012 Financial holdings in subsidiaries and associated companies, all valued through equity method, were as follows:

Year of 2013	Assets	Liabilities	Equity	Income	Net income	% Stake
Subsidiaries						
STCP Serviços	74.994,80	28.064,07	46.930,73	39,43	-17.598,85	100,00%
Associated companies						
TIP, ACE	11.210.808,00	15.826.455,00	4.615.646,00	6.179.215,00	243.394,00	33,33%
Transpublicidade, S.A.	848.048,00	221.961,00	626.087,00	499.895,00	-52.182,00	20,00%

Year of 2012	Assets	Liabilities	Equity	Income	Net income	% Stake
Subsidiaries						
STCP Serviços	424.268,45	249.738,87	174.529,58	118.343,73	-18.101,34	100,00%
Associated companies						
TIP, ACE	10.491.115,00	14.826.402,00	-4.335.287,00	5.616.754,00	-729.486,00	33,33%
Transpublicidade, S.A.	1.027.305,00	349.036,00	678.269,00	471.101,00	-816,00	20,00%

Financial statements of associates and subsidiaries were used as at 31 December of each financial year, albeit being provisional data.

Since the proportion of the company in the negative net results of STCP Serviços and TIP exceeded the book value of the corresponding investment, the application of the equity method was interrupted in previous years.

During 2013 and 2012, the financial shareholdings in subsidiaries and associates in the financial statements of STCP recorded the following movements:

	2013	2012
Financial holdings		
Opening balance	135.666,00	135.817,11
Adjustments – Equity method	-10.448,60	-151,11
Other variations		
Closing balance	125.217,40	135.666,00
Impairment losses		
Net assets	125.217,40	135.666,00

15. FINANCIAL HOLDINGS VALUED THROUGH OTHER METHODS

The financial holdings in other companies are recorded at cost seeing that they are not listed on an active market, and therefore their fair value cannot be measured reliably.

There were no movements in these shareholdings, as shown in the table below, and the book value refers only to the stake in OPT, since the stake in Metro do Porto is null (due to it having been valued through the equity method up to 2007 - the stake up to this date was 25% - showing negative equity):

	2013		2012	
	Fair value	At cost	Fair value	At cost
Financial holdings				
Opening balance		25.000,00		25.000,00
Closing balance		25.000,00		25.000,00
Perdas por imparidade				
Impairment losses		25.000,00		25.000,00

16. BUSINESS COMBINATIONS

Not applicable.

17. EXPLORATION AND ASSESSMENT OF MINERAL RESOURCES

Not applicable.

18. AGRICULTURE

Not applicable.

19. INVENTORIES

Inventories heading as at 31 December 2013 and 2012:

	2013			2012		
	Gross value	Impairment losses	Net value	Gross value	Impairment losses	Net value
Raw materials, sub. and consumables	1.728.566,14	-1.201.484,38	527.081,76	1.198.301,83	-761.626,56	436.675,27
Products and works in progress	1.360,87		1.360,87	779,29		779,29
	1.729.927,01	-1.201.484,38	528.442,63	1.199.081,12	-761.626,56	437.454,56

Cost of raw materials, subsidiaries and consumables in the financial years of 2013 and 2012:

	2013	2012
Opening Inventory	1.198.301,83	721.100,63
Purchases	1.252.001,72	1.170.818,56
Adjustments (*)	619.744,51	566.280,90
Cost of consumed materials	-1.341.481,92	-1.259.898,26
Closing inventory	1.728.566,14	1.198.301,83

(*) In 2013 and 2012 the amount of 572.768,76 euros and 528.330,22 euros, respectively concern the transfer of tram rail materials, as well as network materials and tram parts from tangible assets in progress to inventories, as they were no longer required for the works.

Variation of products and works in progress in the financial years of 2013 and 2012:

	2013	2012
Opening Inventory	779,29	1.222,30
Adjustments		
Variation in production inventories	581,58	-443,01
Closing balance	1.360,87	779,29

Evolution of accumulated impairment losses of inventories in the financial year of 2013 and 2012:

Year of 2013	Opening balance	Increases	Reversals	Closing balance
Raw materials, subsidiaries and consumables	761.626,56	439.857,82		1.201.484,38
Products and works in progress				

Year of 2012	Opening balance	Increases	Reversals	Closing balance
Matérias-Primas, subsidiárias e de consumo	128.986,77	632.639,79		761.626,56
Produtos e trabalhos em curso				

The increase in inventory impairments is mainly due to discontinuation of occasional contactless single mode fare pricing as from 1 January 2013 as well as network and tram rail materials whose net realisable value is lower than their acquisition cost.

20. CONSTRUCTION CONTRACTS

Not applicable.

21. REVENUE

Details of recognised revenue, as at 31 December 2013 and 2012 entirely realised on national territory:

	2013	2012
Delivery of services	46.321.490,66	50.071.866,26
Public passenger transport (*)	46.201.982,11	49.941.325,93
Vehicle lease	121.459,25	130.540,33
Discounts and rebates	-1.950,70	
Supplementary income	1.941.082,46	2.054.908,69
Equipment lease	2.650,00	7.407,14
Royalties	170,73	2.313,82
Performance of positions in other companies	12.325,00	59.677,56
Other supplementary income	1.925.936,73	1.985.510,17
Maintenance services	679.082,21	560.054,40
Publicity	432.769,94	438.983,37
Seconded staff	54.867,32	43.135,61
Rent and assigned facilities	212.614,25	342.369,43
Provision of advisory services and other	152.194,05	147.614,76
Sale of scrap and other items	87.991,09	32.784,24
Museum sales and services	19.383,37	70.360,81
Other	287.034,50	350.207,55
Rents and other income from investment properties	247.442,64	252.517,56
Interests received	652,98	6.108,96
	48.510.668,74	52.385.401,47

(*) Public subsidies are set out in Decree-Law n° 167/2008, of 26 August, which establishes two types of subsidies: compensatory indemnities and other types of grants.

The compensatory indemnities are characterised by payments made with sums from the State Budget to public and private entities, which are intended to offset operating costs arising from the provision of services of general interest (article 3° of Decree Law n° 167/2008). The concept of general interest requires, amongst others, duties to provide services of a universal nature and which guarantee accessibility in terms of price to citizens in general (article 4).

On the other hand, this same Decree-Law admits other types of subsidies through agreements or contracts with the State, but excludes subsidies of a social character granted to natural persons. However, it binds the State to the publicising of the sums granted under such agreements or contracts made with the entities.

STCP concluded three agreements with the State that do not involve compensatory indemnities, since they do not comply with the definition of compensatory indemnity noted above.

The objective of these agreements is the provision of services at the most economic fare prices to natural persons with certain constraints of social order.

The State reimburses STCP for the price discount applied to fares having taken this responsibility.

The agreement for the implementation of Andante intermodal social fare pricing was signed on 29/06/2006, the agreement for 4_18@escola.tp fare pricing was reached on 29/01/2009 and the agreement for sub23@superior.tp fare pricing was made on 01/09/2010.

Pursuant to Ordinance 272/2011 of 23 September, besides these three agreements, “Passe Social+” intermodal card was implemented and intended for low income households.

In this way, the company recognises these subsidies, under these contracts with influence on fare prices, under the heading Revenue from sales and services provided - public passenger transport.

22. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The following provisions were constituted:

- Ongoing lawsuits: according to the costs that the company might be compelled to pay for outstanding lawsuits at the end of each year in Court and corresponding to the forecast total value.
- Work related injuries and accidents and occupational illness: according to the cost that STCP should pay in the future for pensions in force as at 31 December 2013. Until February 1998, the company took on the insurance itself relative to these accidents, although there was also a partial insurance for major risks. As of 1 March 1998, the company transferred the liability arising from occupational injuries and accidents to an insurer, with an exemption of 30 days. As of 1 March 2009, the liability arising from work related injuries and accidents, no longer includes the exemption.
- Other risks and expenses: according to the cost that STCP may be compelled to pay due to legal claims arising from injuries and accidents of its responsibility, outstanding as at 31 December 2013 as well as other expenses resulting from other existing risks on the same date.

Movements which occurred in provisions in 2013 and 2012 were as follows:

	2013			
	Opening balance	Increases	Reversals	Closing balance
Ongoing lawsuits	2.838.551,87	2.556.226,27		5.394.778,14
Occupational injuries, accidents and illness	475.294,01		11.408,02	463.885,99
Other provisions	3.206.991,81	104.541,00	85.221,26	3.226.311,55
	6.520.837,69	2.660.767,27	96.629,28	9.084.975,68
(Increases) and reductions of provisions			-2.564.137,99	

	2012			
	Opening balance	Increases	Reversals	Closing balance
Ongoing lawsuits	1.886.497,02	952.054,85		2.838.551,87
Occupational injuries, accidents and illness	484.691,43		9.397,42	475.294,01
Other provisions (*)	1.612.414,10	1.617.115,50	22.537,79	3.206.991,81
	3.983.602,55	2.569.170,35	31.935,21	6.520.837,69
(Increases) and reductions of provisions			-2.537.235,14	

(*) A provision was made for the associated company TIP - Transportes Intermodais do Porto, ACE, in the amount of 1.445.339 euros on 31.12.2012, which was increased on 31.12.2013 to 1.538.549 euros, in proportion to negative equity of the associated company at the end of each financial year.

The company has two ongoing lawsuits against itself whose values are materially relevant, but are not provisioned:

- Lawsuit in which the plaintiff is Porto City Hall, filed also against the Portuguese State, where part of the real estate assets of the company are claimed.
- Lawsuit, filed by ANTROP against the Portuguese State, in which the counter-interested parties are STCP, SA and CARRIS, applying for the annulment of the decision of Council of Ministers number 52/2003, of 27 March, which attributes these operators determined amounts of Compensatory Indemnities for that year.

Both cases involve lawsuits, the responsibility of which lies with the Portuguese State, respectively, due to its capacity as shareholder and entity responsible for the compensation of the public service delivered.

The fact that STCP has not made any provisioning whatsoever of any values with respect to these lawsuits arises from its opinion on the effective and legitimate ownership of the real estate assets and secondly on the State responsibility on the matters under dispute:

- Regarding the lawsuit filed by Porto City Hall against STCP and the Portuguese State on the property of the land and other real estate assets included in the company's equity at the time of its transformation into a public limited company of exclusively public capital in 1994, through the transformation of the then designated Serviço de Transportes Colectivos do Porto – Porto Public Transport Service of Porto, the company is firmly convinced that the outcome of this lawsuit will be the confirmation that the assets in question belong to it and that, should the judgement be otherwise, it is the responsibility of the State and not the company to meet the solution established in the Initial Petition: eventual payment of an indemnity to the Municipality equivalent to the value to be attributed to any property (properties) that the final sentence might decide belongs (belong) to the latter. This lawsuit is still under assessment as to whether the Court is competent to judge this case, and it is not expected that a definitive outcome will be reached in the next few years.
- Regarding the lawsuit filed by ANTROP against the Portuguese State and against STCP and Carris on the attribution, in 2003, of the values of the Compensatory Indemnities to these two companies, the State already has all the necessary data to confirm that the sum attributed to STCP (the only one concerning us) was not even sufficient to cover the extra costs paid in relation to the social service imposed on it, and carried out during that year. The total value that may possibly be necessary to return to the Portuguese State should be attributed to STCP which could be done, namely, through an increase of share capital, in its capacity of sole shareholder.

According to the above, we may come to the conclusion, that these are contingent liabilities because the probability of any future repayment is less than 50% seeing that it is not possible to estimate the amount of any future eventual reimbursements nor the time when they will occur. Thus, it is not possible to evaluate their economic impact.

23. GRANTS

Most relevant movements regarding grants occurred in the financial years of 2013 and 2012:

Grants	2013				
	Total value	Value received	Value receivable	Revenue for the period	Accumulated revenue
Operating grants:	11.832.310,39	10.211.320,80	1.620.989,59	8.590.331,21	
State budget	10.211.320,80	10.211.320,80		10.211.320,80	
Institute of Financial Management Social Security - PAII	1.620.989,59		1.620.989,59	1.620.989,59	
Grants related to assets	6.859.378,57			108.120,29	6.435.898,17
Tangible assets	6.771.309,63			107.963,62	6.355.990,37
- Buildings and other constructions	330.531,01			4.245,24	248.141,82
- Basic equipment	6.240.585,54			102.859,72	5.979.974,53
- Administrative equipment	73.556,02			858,66	72.739,01
- Other tangible fixed assets	55.135,01				55.135,01
- Tangible assets in progress	71.502,05				
Investment properties	15.397,52				7.236,38
- Buildings	15.397,52				7.236,38
Intangible assets	72.671,42			156,67	72.671,42
Computer programmes	72.671,42			156,67	72.671,42
	4.972.931,82	10.211.320,80	1.620.989,59	8.482.210,92	6.435.898,17

Grants	2012				
	Total value	Value received	Value receivable	Revenue for the period	Accumulated revenue
Operating grants:	10.728.612,45	10.211.320,75	517.291,70	10.728.612,45	
State budget	10.211.320,75	10.211.320,75		10.211.320,75	
Institute of Financial Management Social Security - PAII	517.291,70		517.291,70	517.291,70	
Grants related to assets	6.925.105,90	3.560,60		170.179,88	6.393.505,21
Tangible assets	6.837.036,96	3.560,60		169.875,92	6.313.754,08
- Buildings and other constructions	330.531,01			4.245,24	243.896,58
- Basic equipment	6.305.516,04	3.560,60		161.607,35	5.942.045,31
- Administrative equipment	74.352,85			1.240,85	72.677,18
- Other tangible fixed assets	55.135,01			2.782,48	55.135,01
- Tangible assets in progress	71.502,05				
Investment properties	15.397,52				7.236,38
- Buildings	15.397,52				7.236,38
Intangible assets	72.671,42			303,96	72.514,75
Computer programmes	72.671,42			303,96	72.514,75
	17.653.718,35	10.214.881,35	517.291,70	10.898.792,33	6.393.505,21

STCP is subject to an administrative pricing scheme which implies the attribution of non repayable compensatory indemnities by the Government in order to partially finance its operations with the purpose of discharging public transport service obligations. STCP follows the criteria of recording the compensatory indemnities as operating grants for the year when they are attributed.

24. ALTERATIONS IN EXCHANGE RATES

In the financial year of 2012 there were no operations in foreign currency. In 2013 operations in Sterling Pounds were recorded, the amounts of which having been irrelevant.

25. EVENTS AFTER THE BALANCE SHEET DATE

On 05 April, Judgement n°187/2013 was delivered by the Constitutional Court having ruled with a general binding effect, as unconstitutional, procedures set forth in article 29° of Law 66-B/2012 of 31 December.

This Constitutional Court's decision stipulated payment by the company, of holiday bonus or any other corresponding benefits. Thus, the year of 2013 was highlighted by increased costs incurred with staff totaling 1.651.445,25 Euros concerning holiday bonus of 2012.

26. CORPORATION TAX

The company is subject to the general Corporation Tax scheme (IRC). In view of its situation of deficit it has never paid the Corporation Tax. The company only pays costs arising from autonomous taxation and makes special payment on account to which it is bound.

In view of the above, there has been no recognition of any deferred tax assets or liabilities, since deduction cannot be in advance predicted, of future tax profits from the tax losses reported up to date.

As at 31 December 2013, the reported tax losses amounted to 119.128.994,79 euros, as per details below:

Years	Tax losses
2007	24.714.364,80
2008	22.643.194,03
2009	19.864.827,20
2010	6.223.946,09
2011	18.614.042,09
2012	27.068.620,58
	119.128.994,79

27. ENVIRONMENTAL ISSUES

In the years of 2013 and 2012 there is no relevant information.



906

OBRIGADO
POR CRIAR
A PASSAGEM

SAÍDA DE EMERGÊNCIA

OPERAÇÕES

OPERAÇÕES

P 32-36-LZ

CIMA

28. FINANCIAL INSTRUMENTS

28.1. Identification of financial assets and liabilities

As at 31 December 2013 and 2012, categories of financial assets and liabilities were the following:

Financial assets – Year of 2013	Loans granted and accounts receivable	Available for sale	Not covered IFRS7	Total
Non current assets	46.930,73	25.000,00	0,00	71.930,73
Financial holdings through cost method		25.000,00		25.000,00
Other financial assets	46.930,73			46.930,73
Current assets	3.874.526,92	0,00	4.275.035,89	8.149.562,81
Customers	2.110.957,37			2.110.957,37
Other accounts receivable	1.623.602,91		4.275.035,89	5.898.638,80
Cash and bank deposits	139.966,64			139.966,64
	3.921.457,65	25.000,00	4.275.035,89	8.221.493,54
Financial liabilities – Year of 2013	Financial liabilities at amortised cost	Financial liabilities valued at fair value through profit or loss	Not covered IFRS7	Total
Non current liabilities	99.968.451,64	92.208.090,42	13.492.156,49	205.668.698,55
Loans received	99.968.451,64		13.492.156,49	113.460.608,13
Other financial liabilities		92.208.090,42		92.208.090,42
Current liabilities	282.325.713,33	2.861.528,83	10.388.014,64	295.575.256,80
Suppliers	3.875.164,02			3.875.164,02
Loans received	278.066.072,43		4.408.362,49	282.474.434,92
Other accounts payable	384.476,88		5.979.652,15	6.364.129,03
Other financial liabilities		2.861.528,83		2.861.528,83
	382.294.164,97	95.069.619,25	23.880.171,13	501.243.955,35
Financial assets – Year of 2012	Loans granted and accounts receivable	Available for sale	Not covered IFRS7	Total
Non current assets	174.529,58	25.000,00		199.529,58
Financial holdings through cost method		25.000,00		25.000,00
Other financial assets	174.529,58			174.529,58
Current assets	3.576.802,56		1.007.736,15	4.584.538,71
Customers	1.677.976,56			1.677.976,56
Other accounts receivable	1.552.959,09		1.007.736,15	2.560.695,24
Cash and bank deposits	345.866,91			345.866,91
	3.751.332,14	25.000,00	1.007.736,15	4.784.068,29

Financial liabilities – Year of 2012	Financial liabilities at amortised cost	Financial liabilities valued at fair value through profit or loss	Not covered IFRS7	Total
Non current liabilities	219.940.216,26	112.516.619,98	17.885.512,97	350.342.349,21
Loans received	219.940.216,26		17.885.512,97	237.825.729,23
Other financial liabilities		112.516.619,98		112.516.619,98
Current liabilities	133.270.224,39	413.535,41	7.747.566,67	141.431.326,47
Suppliers	4.301.699,64			4.301.699,64
Loans received	128.528.361,67		4.310.500,86	132.838.862,53
Other accounts payable	440.163,08		3.437.065,81	3.877.228,89
Other financial liabilities		413.535,41		413.535,41
	353.210.440,65	112.930.155,39	25.633.079,64	491.773.675,68

In 2013 and 2012, STCP only had financial assets and liabilities classified as:

- Loans granted and accounts receivable;
- Available for sale;
- Financial liabilities valued at amortised cost;
- Financial assets valued at fair value through profit or loss.

According to item 29 of IFRS7, sub-paragraph a), when the book value is a reasonable approximation of the fair value, as in financial instruments such as commercial accounts receivable or payable in the short term, it is not necessary to disclose their fair value. In 2013 and 2012, in this situation was the case of the headings customers, other accounts receivable, cash and bank deposits and other accounts payable.

The heading Financial shareholdings at the cost method is measured at cost and refers to a stake in a company not listed on an active market, therefore, its fair value cannot be measured reliably (exception established in item 29, sub-paragraph b) of IFRS7). Hence, it was not disclosed.

This leaves the derivative financial instruments, included in the heading Other financial liabilities, which are stated at fair value.

28.1.1. Loans received

As at 31 December 2013 and 2012, details of loans were the following:

Loans received	Year of 2013					
	Total	Amortised Cost Current	Non Current	Total	Nominal Value Current	Non Current
Credit and financial institutions	174.811.448,14	161.319.291,65	13.492.156,49	174.295.864,82	160.803.708,33	13.492.156,49
Bank loans	149.046.001,27	149.046.001,27		148.545.862,30	148.545.862,30	
Bank overdrafts	7.864.927,89	7.864.927,89		7.864.927,89	7.864.927,89	
Financial leasing	17.900.518,98	4.408.362,49	13.492.156,49	17.885.074,63	4.392.918,14	13.492.156,49
Stock Market	221.123.594,91	121.155.143,27	99.968.451,64	220.000.000,00	120.000.000,00	100.000.000,00
Non convertible bonds	221.123.594,91	121.155.143,27	99.968.451,64	220.000.000,00	120.000.000,00	100.000.000,00
Bond 07	100.104.865,41	136.413,77	99.968.451,64	100.000.000,00		100.000.000,00
Bond 09	121.018.729,50	121.018.729,50		120.000.000,00	120.000.000,00	
	395.935.043,05	282.474.434,92	113.460.608,13	394.295.864,82	280.803.708,33	113.492.156,49

Loans received	Year of 2012					
	Total	Amortised Cost Current	Non Current	Total	Nominal Value Current	Non Current
Credit and financial institutions	149.676.361,11	131.790.848,14	17.885.512,97	149.214.044,38	131.328.531,41	17.885.512,97
Bank loans	119.885.398,64	119.885.398,64		119.444.000,00	119.444.000,00	
Bank overdrafts	7.594.948,64	7.594.948,64		7.594.948,64	7.594.948,64	
Financial leasing	22.196.013,83	4.310.500,86	17.885.512,97	22.175.095,74	4.289.582,77	17.885.512,97
Stock Market	220.988.230,65	1.048.014,39	219.940.216,26	220.000.000,00		220.000.000,00
Non convertible bonds	220.988.230,65	1.048.014,39	219.940.216,26	220.000.000,00		220.000.000,00
Bond 07	99.999.733,91	35.457,10	99.964.276,81	100.000.000,00		100.000.000,00
Bond 09	120.988.496,74	1.012.557,29	119.975.939,45	120.000.000,00		120.000.000,00
	370.664.591,76	132.838.862,53	237.825.729,23	369.214.044,38	131.328.531,41	237.885.512,97

All loans are euro denominated.

Current loans consist of current account credit lines, authorised overdrafts as well as hot money lines and loan contracts operations totaling 12 funding lines for treasury support purposes, on 31 December 2013, under the following conditions: interest rates indexed to Euribor on a 1, 3 and 6 month basis and monthly or quarterly maturity dates or operation renewals.

As from 2 December 2013 according to provisions laid down in n.º 3 of article 29.º of decree-law n.º 133/2013, of 03 October which set out that non financial public companies of the State Corporate Sector not covered by procedures provided for in n.º 1 of the same diploma showing negative equity every year, will only have access to funding from financial institutions with prior authorisation from the Directorate General to the Treasury and Finance that requests a binding opinion to the Public Debt and Treasury Management Agency, IGCP, EPE, concerning applicable financial conditions. Under the above decree-law, STCP has been requesting authorisation for each operation.

In October 2013, bond issued in 2009 amounting to 120 million euros, for which the State provided guarantee, has been classified as current loan seeing that respective maturity date falls due in October 2014, at its nominal value.

Non current loan existing on 31 December 2013, is characterised by the following details:

In June 2007, a bond totaling 100 million euros, payable within 15 years was issued. Subscription was private and direct. Rate is variable and indexed to 6 month Euribor. There is total or partial Call-Option, from the 5th year onwards. Bonds were listed for trading on a regulated market in the beginning of the year of 2011. This operation is backed by the Portuguese State.

Through the Guarantee contract, the Portuguese Republic unconditionally and irrevocably guarantees the payment of the values corresponding to the capital and interests payable under the terms and conditions of the contracts.

In 2013, financing conditions of the existing non current loans were as follows:

Loan	Maturity date	Interest rate	Periodicity
Non convertible bonds			
Bond 2007	05-Jun-22	6M Euribor + 0,0069%	6 monthly
Bond 2009	09-Oct-14	3,61%	6 monthly

On 31 December 2013, the company had no situations of default in relation to any of the loans obtained.

28.1.2. Other financial assets

28.1.2.1. Non current

As at 31 December 2013 and 2012 the heading Other non current financial assets, includes loans granted through additional paid-in capital to the subsidiary company STCP Serviços.

Other financial assets	2013	2012
Loans granted to subsidiary companies	1.400.000,00	1.510.000,00
Gross value	1.400.000,00	1.510.000,00
Accumulated impairment losses	-1.353.069,27	-1.335.470,42
Book value	46.930,73	174.529,58
Impairment of investments not subject to depreciation/amortisation (losses/reversals)	-17.598,85	174.529,58

By the end of 2013, 110.000 euros in supplementary capital instalments were paid back by the subsidiary company. This heading became impaired seeing that subsidiary company had a negative equity position.

28.1.2.2. Current

There is no relevant information regarding this issue.

28.1.3. Other financial liabilities

As at 31 December 2013 and 2012, the fair value of these derivative financial instruments was the following:

Hedged financing	2013				
	Notional value	Maturity	Fair value	Current	Non current
Bond 2007	25.000.000,00	05-jun-22	-95.069.619,25	-2.861.528,83	-92.208.090,42
Other financial liabilities			-95.069.619,25	-2.861.528,83	-92.208.090,42

Hedged financing	2012				
	Notional value	Maturity	Fair value	Current	Non current
Bond 2007	25.000.000,00	05-Jun-22	-101.433.437,41	-265.425,69	-101.168.011,72
Bond 2007	25.000.000,00	05-Jun-22	-11.496.717,98	-148.109,72	-11.348.608,26
Other financial liabilities			-112.930.155,39	-413.535,41	-112.516.619,98

One of the interest rate risk hedge operations that the company held on 31 December 2012, ended on 9 May 2013, by agreement reached between the parties.

On 31 December 2013, the company held an interest rate risk hedge operation totaling 25% of the bond nominal value issued in the same year. This operation will fall due in 2022.

With reference to this operation, a lawsuit was filed by the Credit Institution before the English Commercial Court, requiring appreciation of the validity period of the contract, the company having contested and fought this legal action. Based on legal principles for the contract annulment, STCP has withdrawn from the discharge of obligations arising from it.

During the pendency of the litigation, STCP informed the Institution that payment of the coupon due on 5 December 2013 has been suspended as well as any other overdue settlement under the same operation contract.

As at 31 December 2013, fair value of the derivative instrument held by the company includes in the part classified as current, 2.438.641,83 euros referring to overdue and unpaid interests.

The company did not constitute any provision for eventual penalty interests on late payments owing to the uncertainty in estimating it. A provision was set up only for court costs incurred with the lawsuit.

Details of fair value variation in 2013 and 2012:

Hedged financing	Notional value	Maturity	2013	2012
Bond 2007	25.000.000,00	05-jun-22	8.959.921,30	-39.030.426,77
Bond 2007	25.000.000,00	05-jun-22	3.631.717,98	-3.238.965,61
			12.591.639,28	-42.269.392,38

In spite of these derivative instruments having been contracted under an interest rate risk hedge policy, all the required conditions are not met for the accounting framework of the operations involved as hedge accounting.

Thus, fair value variations occurred in the financial years of 2013 and 2012 were directly recognised through income and expenditure statement under the headings Fair value increase gains in financial instruments/Fair value reduction losses in financial instruments (note 11), shown in the income and expenditure statement by nature under the heading Interests and similar income received/obtained.

Attention should be drawn to the fact that fair value variations of 2013 include the amount of 7.717 thousand euros concerning costs incurred with the cancellation in advance by agreement between the parties on 9 May 2013, of one of the interest rate risk hedge operations held by the company.

This issue is addressed in point 5.4.3 of this Annual Report.

28.2. Risk management

28.2.1. Market risks

28.2.1.1. Interest rate risk

The management policy of interest rate risk aims to control and minimise debt cost within the current contingencies of negotiation and credit concession.

The company's debt to financial institutions is mostly directly exposed to interest rate risk variations, the company holding only one financing operation at a fixed rate concerning medium and long term.

Loans obtained by STCP are mainly exposed to 1M and 3M Euribor rate variation in short term operations as well as to 6M Euribor rate variation regarding medium and long term financing.

Sensitivity analysis

a) Non current operations

A sensitivity analysis made to the exposure of the bond totaling 100 million euros and to financial leasing operations, it is estimated that costs would represent an increase of 371 thousand euros towards the forecast for 2014, for a variation of a further 1% in interest rate.

b) Current operations

Current debt is exposed to Euribor rate variations. As already mentioned, it consists of 12 financing lines whose amount on 31 December 2013 totaled nearly 154 million euros.

In accordance with a sensitivity analysis, a variation in the interest rate level of +1% would result in a rise of 1,62 million euros, in relation to the expected costs for 2014, based on the calculation of the existing debt on 31 December 2013.

28.2.1.2. Risk of increase in credit price

Given the amount of the managed debt, the company is exposed to the behaviour of the market credit prices.

28.2.1.3. Risk of Exchange rate

The company is not exposed to this risk by its own nature.

28.2.1.4. Liquidity risk

The management of liquidity risk is of the utmost importance for a company which is not in a position to generate enough cashflow to ensure self-sufficiency.

The financing model is based on debt and the management policy of this risk is guaranteed by the timely fulfilment of the commitments set out with stakeholders – employees, suppliers and banks.

With the purpose to mitigate this risk, the company:

1. Makes a long term treasury planning, reporting monthly to the supervising entities;
2. Tries to negotiate a range of financing short term supports applying the best market conditions, within suitable treasury safety limits;
3. Whenever possible, the company tries to diversify investment sources and also maturity dates with operations of liabilities consolidation under the current market constraints;
4. Complies with guidelines set out for the transport sector, trying to anticipate contingencies and reporting to the supervising entities on forecasts and operations in progress;
5. And at last, selects trustworthy counterparties for partnership purposes from the continuity perspective.

Liabilities arising from future *cash flows* regarding non current loans, are the following:

Years	Interests	Repayment	Cash-flow
2014	4.675.865,56	120.000.000,00	124.675.865,56
2015	342.665,56		342.665,56
2016	342.665,56		342.665,56
2017	342.665,56		342.665,56
2018	342.665,56		342.665,56
2019	342.665,56		342.665,56
2020	342.665,56		342.665,56
2021	342.665,56		342.665,56
2022	171.332,78	100.000.000,00	100.171.332,78
	7.245.857,22	220.000.000,00	227.245.857,22

Reported as at 31 December 2013, the company used nearly 174 million euros of available short term credit lines.

28.2.1.5. Credit risk

The policy of credit risk management aims to ensure debt collection of credit granted within the scope of its main activity and additional service delivery, to which the company is exposed. Payment of credit in accordance with the agreed conditions is considered necessary and desirable.

In order to mitigate this risk the company analyses and monitors the credit portfolio concerning the granted amounts by implementing procedures aiming at reducing default implying a failure to properly perform contractual obligations.

As at 31 December 2013 and 2012, recorded impairment losses, resulting from debts receivable, reflected the reality of non collection risk.

Details of the heading Customers and other receivables, according to their maturity and recoverability, are as follows:

	2013	2012
Without recorded impairment		
Customers current account	2.110.957,37	1.677.976,56
Not due	2.027.786,78	1.604.253,15
Past due	83.170,59	73.723,41
<30	1.594,50	6.065,75
<60	2.492,95	5.321,05
<90	2.096,58	2.842,35
<120	3.429,70	20.839,32
<180	4.312,95	1.333,34
>=180	69.243,91	37.321,60
With recorded impairment		
Customers current account	10.315,12	6.890,00
Past due	10.315,12	6.890,00
>=180	10.315,12	6.890,00

	2013	2012
Without recorded impairment		
Other receivables	1.238.832,25	1.249.870,59
Not due	256.524,68	179.914,42
Past due	982.307,57	1.069.956,17
<30	174.559,98	235.589,30
<60	110.560,18	95.932,91
<90	94.600,36	102.300,73
<120	174.807,23	133.241,56
<180	32.662,81	268.571,12
>=180	395.117,01	234.320,55
With recorded impairment		
Other receivables	916.782,70	913.342,54
Not due	384,37	
Past due	916.398,33	913.342,54
<90	307,50	
<180	230,62	
>=180	915.860,21	913.342,54

Late debts which are more than 90 days overdue are mainly from entities with exclusively public capital. Analyses to the risk of non collection were carried out, additional impairment values having been recorded during the year of 2013 and 2012, totaling 6.865,28 euros and 10.590,00 euros, respectively in respect of customers' debts and other receivables. In this way, as at 31 December 2013 customers and other receivables impairments amounted to 927.097,82 euros. The most relevant accumulated impairment carried over from previous financial years concern the following debt:

- 910 thousand euros regarding compensation charged to Porto City Hall regarding costs paid by STCP incurred with the removal of the tram street track between Cidade S. Salvador and Gonçalves Zarco Square.

28.2.2. Covenants

On contracting financial operations, the company takes the necessary steps in order to limit contractual restrictions with regard to its assets and ownership of its capital. The company follows the policy of negotiating and only accepting contractual clauses corresponding to the market standard, however limited to its ability to negotiate.

Most of the financing contracts in force have clauses covering a series of usual covenants, establishing situations of default, cross default, negative pledge and pari passu agreed and accepted by the counterparties

With reference to the Portuguese State, it should be noted that there are clauses of ownership.

The agreed "covenants" do not have as a rule, corresponding indicators, with the exception of the clauses of ownership which bind the Portuguese State to the full ownership of the company's share capital, or in other cases, to the majority ownership, that is, to over 50% of the share capital.

28.3. Costs, income, losses and gains

Costs and losses as well as income and gains relative to loans received and derivative financial instruments are detailed in Note 11.

28.4. Equity instruments

28.4.1. Share capital

In 2013 and 2012, the book value of the share capital issued by the company corresponds only to the heading share capital, totaling 79.649 thousand euros which is fully paid-up. Share capital is represented by 15.929.800 shares merely in book value form, with nominal value of 5 euros each.

In the two financial years there were no movements in the share capital. The Portuguese State is the sole shareholder owning 100% of the share capital of the company.

28.4.2. Reserves

As at 31 December 2013 and 2012 the heading Reserves was detailed as follows:

Reserves	2013	2012
Legal reserves	74.907,42	74.907,42
Other reserves	25.727,80	25.727,80
Other reserves – Free reserves	25.256,95	25.256,95
Other reserves –Staff assistance fund	470,85	470,85

28.4.3. Revaluation surplus

The movement of revaluation surplus of tangible and intangible fixed assets in 2013 and 2012 showed the following details:

	Tangible fixed assets
Balance as at 01.01.2012	44.857.408,98
Amortisations	-734.284,41
Revaluation reversal (*)	-4.877.621,53
Revaluation increase	1.562.843,09
Balance as at 31.12.2012	40.808.346,13
Balance as at 01.01.2013	40.808.346,13
Amortisations	-915.215,30
Revaluation reversal (*)	-25.330,00
Revaluation increase	0,00
Balance as at 31.12.2013	39.867.800,83

(*) In 2013, the amount of 25.330 euros concerns impairment loss reversal of investment properties having been carried over from tangible fixed assets with constituted revaluation reserve. In 2012, this value totaled 661.000 euros.

28.4.4. Adjustments to financial assets

Adjustments to financial assets as 31 December 2013 and 2012:

	2013	2012
Transition adjustments	-32.560,03	-32.560,03
STCP Serviços	-5.000,00	-5.000,00
Transpublicidade	-27.560,03	-27.560,03
Non distributed profits	154.796,62	154.796,62
Transpublicidade	154.796,62	154.796,62
Adjustments to financial assets – relative to equity method	122.236,59	122.236,59

28.4.5. Other changes in equity

As at 31 December 2013 and 2012 the heading Other changes in equity showed the following details

	2013	2012
Grants relative to assets	423.480,40	531.600,69
Assets subject to amortisation – Set value	6.859.378,57	6.925.105,90
Assets subject to amortisation – Carried over to profit or loss	-6.435.898,17	-6.393.505,21
Donations	281.048,63	281.048,63
Other changes in equity	704.529,03	812.649,32

28.4.6. Earnings/Losses per share

Earnings/Losses per share in 2013 and 2012:

	2013	2012
Net results for the period	-15.223.813,01	-73.438.560,24
Weighted average number of shares	15.929.800	15.929.800
Basic result per share	-0,96	-4,61

Since there were no situations leading to dilution, net result per share is the same as the basic result per share.

29. PERSONNEL BENEFITS

The company has a defined benefit plan since 1 May 1975, which determines the payment of supplementary retirement and ill-health pensions to all eligible workers who are bound to the company through open ended employment contracts, signed until 2005 inclusive, which is calculated based on a fixed formula, and is paid provided that the sum of the pension paid by Social Security plus this supplement does not exceed 650 euros (value in force since 2007).

Law nº 83-C/2013, of 31 December article 75º, sets out new rules which apply to the payment of pension supplements by companies of the state corporate sector showing net negative results in the last three years calculated on 1 January of the current year. These new rules stipulate that retirement pension supplements will go on being settled on the clear understanding that after being added to the pension amount received by the beneficiary (from Social Security or Caixa Geral de Aposentações (Civil Service Pension Scheme) or from any other social security system) they are equal to or lower than 600 euros. The payment of pension

supplements will be acceptable only under the circumstances already set out on 31 December 2013.

STCP, as a state owned public limited company of exclusively public capital is considered as a public company of the State Corporate Sector as expressly set forth in provisions laid down by articles 2°, 5° and 9° of decree-law n° 133/2013, of 3 October. In the past 3 years it has been showing net negative results. Thus, the scheme provided for in art.° 75 of law n° 83-C/2013, of 31 December applies to STCP.

For this reason, on 31 December 2013 the calculation of liabilities taken over by the company concerning the defined benefit plan was adjusted based on the changes imposed by law n° 83-C/2013, of 31 December.

In December 1998, the company transferred its liability to the BPI Open Pension Fund, by signing the Adherence contract, with an initial endowment of 3.042.667 euros, corresponding to 304.158.66 participation units.

As at 31 December 2013 and 2012, according to an actuarial study carried out by BPI PENSIONS, the current value of liabilities taken over with responsibilities for retirement and ill-health supplementary pensions was as follows:

	2013	2012
Past service costs related to former employees	1.983.302,00	2.989.571,00
Past service costs related to active employees		
Liability of the Fund	1.983.302,00	2.989.571,00

Financial and actuarial assumptions used in the actuarial assessment of liabilities, in 2013 and 2012:

Main assumptions	2013	2012
Financial assumptions		
Discount rate	2,50%	2,50%
Inflation rate	1,75%	1,75%
Income rate	5,10%	5,30%
Salary growth rate	Not applicable	Not applicable
Social security pension growth rate (*)	1,75%	1,75%
STCP pension growth rate	As per Law 83-C/2013, growth rate will be zero	Same as Social Security pension growth limited by the difference between the ceiling value and Social Security pension
Ceiling growth rate (**)	Without growth fixed value of 600,00 Euros	Without growth, fixed value of 650,00 Euros
Demographic assumptions		
Mortality table	French table TV 73/77	French table TV 73/77
Ill-health table	Not applicable	Not applicable

(*) Prior to 2001 it was 1%, in the long run.

(**) Prior to 2001 the ceiling was 548, 68 euros. From 2001 until 2006 inclusive, it was 598,56 euros. From 2007 until 31-12-2013, the ceiling was 650 euros. On 31-12-2013, according to art.° 75 of Law 83-c/2013, it was 600 euros.

Pension Fund movements as at 31 December 2013 and 2012:

	2013	2012
Value of the fund assets at the beginning of the year	2.002.655,00	2.110.582,00
Company contributions		238.288,00
Paid pensions	-478.415,00	-497.949,00
Effective income	61.875,00	151.734,00
Value of the fund assets at the end of the year	1.586.115,00	2.002.655,00

On the closing date of the accounts it was not possible to estimate the expected value of contributions for the fund in 2014, according to the current funding level.

As at 31 December 2013 and 2012 alterations occurred in liabilities taken over in relation to supplementary retirement and ill-health pensions were as follows:

	2013	2012
Liabilities at the beginning of the year	2.989.571,00	2.932.811,00
Current service cost		
Interest costs	68.578,00	126.812,00
Paid pensions	-478.415,00	-497.949,00
Actuarial Losses and (Gains)	152.251,00	95.914,00
Losses and (Gains) from changes in discount rates		331.983,00
Losses and (Gains) arising from cuts to employee benefits/changes in pension fund plan	-748.683,00	
Liabilities at the end of the year	1.983.302,00	2.989.571,00

A change in discount rate of 1% less would result in an increase in liabilities taken over for retirement and ill-health pension supplements amounting to 111.895 euros and an alteration in discount rate of a further 1% would give rise to a decrease in liabilities taken over for retirement and ill-health pension supplements totaling 100.165 euros.

A change in pension growth rate to a further 1% would cause a rise in liabilities taken over for retirement and ill-health pension supplements in the amount of 415.055 euros, and an alteration in pension growth rate to 1% less would result in a decline in liabilities taken over for retirement and ill-health pension supplements in the amount of 347.623 euros.

During the financial years of 2013 and 2012, the following values were recognised under the heading Staff costs arising from liabilities due to supplementary retirement and ill-health pensions:

	2013	2012
Current service costs		
Interest costs	68.578,00	126.812,00
Projected return	-89.567,00	-97.917,00
Losses and (Gains) arising from changes in the defined benefit plan	-748.683,00	
Actuarial losses and (Gains):		
Actuarial losses and (Gains) related to experience	152.251,00	95.914,00
Income losses and (Gains)	27.692,00	-53.817,00
Losses and (Gains) from changes in discount rates		331.983,00
	-589.729,00	402.975,00

Evolution of the current value of the defined benefit liability in the last 5 years in the fair value of the plan assets and plan surplus or deficit:

Year	Fund liabilities	Value of fund assets	Fund deficit/surplus	Fund coverage rate
2009	3.491.295,00	2.626.274,00	-865.021,00	75%
2010	3.267.798,00	2.338.541,00	-929.257,00	72%
2011	2.932.811,00	2.110.582,00	-822.229,00	72%
2012	2.989.571,00	2.002.655,00	-986.916,00	67%
2013	1.983.302,00	1.586.115,00	-397.187,00	80%

Composition of Open Pension Fund BPI Valuation as at 31 December 2013 and 2012:

Composition	2013		2012	
	Value	%	Value	%
Shares	571.001	36,0%	696.924	34,8%
Real estate	682.029	43,0%	34.045	1,7%
Bonds at indexed rate	95.167	6,0%	152.202	7,6%
Bonds at fixed rate	31.722	2,0%	875.160	43,7%
Absolute return	31.722	2,0%	10.013	0,5%
Liquidity	174.473	11,0%	234.311	11,7%
	1.586.115		2.002.655	

As at 31 December 2013 and 2012 the net worth of STCP adherence to Open Pension Fund BPI Valuation was respectively of 1.586.115 euros and 2.002.655 euros, representing 1,1% and 1,4% of the total value of the Pension Fund.

The composition of Open Pension Fund BPI Valuation has no assets of STCP- Sociedade de Transportes Colectivos do Porto.

30. DISCLOSURES REQUIRED BY LEGAL DIPLOMAS

There is nothing relevant to note.

31. SUPPLIERS AND OTHER PAYABLES

Debts to suppliers as at 31 December 2013 and 2012:

	2013	2012
Suppliers - current accounts	3.875.164,02	4.301.699,64
Not due	2.817.722,01	3.571.012,56
Past due	690.519,09	359.408,22
<30	192.348,83	206.637,57
<60	53.311,25	29.245,84
<90	18.308,33	32.236,81
<120	17.328,03	8.728,16
<180	58.292,66	30.769,45
>=180	350.929,99	51.790,39
Reception and checking	366.922,92	371.278,86
	2013	2012
Fixed assets suppliers	28.801,74	77.244,00
Not due	12.207,36	
Past due	16.594,38	77.244,00
<30	16.594,38	77.244,00
	2013	2012
Other payables	232.245,92	238.872,19
Not due	110.284,68	110.433,92
Past due	121.961,24	128.438,27
<30	94.278,20	648,85
<60	354,47	557,97
<90	12.566,47	4,47
<120	66,47	0,64
<180	132,94	1,28
>=180	14.562,69	127.225,06

Debts to suppliers and accounts payable were recorded at their nominal value as these items do not earn interests and on the other hand, the effect of their financial discount is not materially relevant, in view of the applicable average period of payment, which is purely commercial: 60 days.

32. STATE AND OTHER PUBLIC BODIES

As at 31 December 2013 and 2012 the heading State and other public bodies was detailed as follows:

	2013		2012	
	Assets	Liabilities	Assets	Liabilities
Corporation tax	579.899,58		490.000,00	5.142,18
CT – payment on account	560.000,00		490.000,00	
CT – payment				5.142,18
CT - receipt	19.899,58			
Income tax withholdings		286.176,27		177.484,50
Value added tax	844.546,97		1.126.858,26	
VAT – receipt /claim for refund	844.546,97		1.126.858,26	
Social Security contributions		608.014,37		583.915,56
Other taxation		12.268,80		3.067,20
State and other public bodies	1.424.446,55	906.459,44	1.616.858,26	769.609,44

33. OTHER ACCOUNTS PAYABLE AND RECEIVABLE

In the years ending 31 December 2013 and 2012, the heading Other accounts payable is broken down as follows:

Other accounts payable	2013	2012
Fixed assets suppliers – current accounts	28.801,74	77.244,00
Accrued costs payable	5.979.652,15	3.437.065,81
Staff	121.012,15	122.068,56
Customers and other payables – payable customer balances	2.417,07	1.978,33
Miscellaneous payables	232.245,92	238.872,19
	6.364.129,03	3.877.228,89

Accrued costs payable	2013	2012
External supplies and services	2.383.917,69	1.311.222,37
Outsourcing	72.737,99	36.941,34
Specialised work	1.371.291,61	798.145,05
Energy and other liquids	67.069,18	16.320,82
Miscellaneous services	872.818,91	459.815,16
Staff costs	3.481.740,31	2.033.160,84
Other costs and losses	113.994,15	88.210,60
Financial costs		4.472,00
	5.979.652,15	3.437.065,81

In the years ending 31 December 2013 and 2012, the heading Other accounts receivable is broken down as follows:

Other accounts receivable	2013	2012
Accrued income receivable	4.275.035,89	1.007.736,15
Staff	380.431,01	302.157,59
Suppliers and other creditors – receivable balances	4.339,65	930,91
Miscellaneous receivables	2.155.614,95	2.163.213,13
Gross value	6.815.421,50	3.474.037,78
Accumulated impairment losses	-916.782,70	-913.342,54
Book value	5.898.638,80	2.560.695,24

Accrued income receivables	2013	2012
Service provision	1.535.653,70	425.430,37
Operating grants	2.138.281,29	517.291,70
Other income and gains – supplementary income	97.793,98	20.602,89
Other income and gains - Other	503.292,04	43.975,34
Interests receivable	14,88	435,85
	4.275.035,89	1.007.736,15

34. DEFERRALS

As at 31 December 2013 and 2012 the heading Deferrals in Current Assets and Current Liabilities showed the following details:

Deferrals	2013	2012
Assets – Costs to be recognised	305.898,23	249.672,25
External supplies and services	270.596,79	182.281,92
Other costs and losses	35.301,44	67.390,33
Financial costs		
Liabilities – Income to be recognised	2.312.987,27	1.546.472,88
Service provision	401.476,87	322.832,08
Operating grants	1.032.931,06	
Other income and gains	878.579,34	1.223.640,80

35. EXTERNAL SUPPLIES AND SERVICES

In the financial years of 2013 and 2012, the heading External supplies and services is broken down as follows:

	2013	2012
Outsourcing	1.018.689,22	4.731.920,57
Specialised services	6.231.223,28	7.038.530,31
Specialised work	320.374,97	884.604,84
Advertising and publicity	13.593,56	27.581,70
Surveillance and security	259.394,02	300.533,15
Fees	76.405,03	75.348,54
Commissions	1.939.998,02	1.990.587,74
Maintenance and repair	3.218.566,73	3.328.314,76
Communication and public information	18.281,66	24.272,02
Revenue control	380.160,00	380.160,00
Other	4.449,29	27.127,56
Materialas	44.820,11	67.009,43
Energy and liquids	10.026.036,05	10.870.143,97
Electricity	520.133,65	519.369,55
Fuel	9.479.264,93	10.323.685,78
Other	26.637,47	27.088,64
Travel, hotel and transport	2.281,16	1.941,72
Miscellaneous services	7.523.519,31	8.311.719,99
Rental payments and leases	5.513.331,27	5.943.139,82
Communication	197.148,37	360.685,66
Insurance	493.847,54	578.712,28
Royalties	130.482,03	120.406,83
Litigation and notary	11.508,57	22.786,53
Costs incurred with personal representation of the company	2.705,83	4.903,19
Cleaning, hygiene and comfort	1.015.151,84	1.105.397,00
Other services	159.343,86	175.688,68
External supplies and services	24.846.569,13	31.021.265,99

36. STAFF COSTS

As at 31 December 2013 and 2012 Staff costs were detailed as follows:

	2013	2012
Remuneration of governing bodies	166.973,70	271.331,23
Salaries paid to the staff	25.462.607,47	22.728.952,22
Post-employment benefits	-541.606,73	450.514,29
Severance payments	211.222,77	1.819.838,16
Remuneration costs	5.770.092,81	5.038.829,89
Work related injuries and accidents and occupational illness	262.061,72	279.232,88
Social service costs	229.085,97	276.419,69
Other staff costs	77.695,46	88.409,21
Staff costs	31.638.133,17	30.953.527,57

Remuneration containment measures applied to the State Corporate Sector companies since 2010 arising from laws enforcement n° 55-A/2010, n° 64-B/2011 and n° 66-B/2012 are being pursued. These laws regulate remuneration reduction applicable to all staff whose monthly gross remuneration exceeds 1.500 euros, aim at freezing career progression as well as reduction of staffing levels.

In the financial year of 2013, this reduction trend did not occur due to the impact caused by the enforcement of judgement n°187/2013, of 5 April delivered by the Constitutional Court having ruled with a general binding effect, as unconstitutional, provisions laid down in article 29° of Law 66-B/2012 of 31 December. As a result, it has imposed the holiday pay to be settled by the company or any other related benefits as well as the enforcement of law n.° 66-B/2012, that restored the full payment of Christmas bonus since 01.01.2013.

In the year of 2013 figures showed a rise in costs of 3.161 thousand euros, regarding additional expenses incurred with the holiday pay of 2012 and 2013, and also with Christmas bonus referring to the year of 2013, in the amount of 1.600 thousand euros.

37. OTHER COSTS AND LOSSES

As at 31 December 2013 and 2012 details concerning Other operating costs and losses were the following:

	2013	2012
Other costs and losses	890.203,45	1.594.995,85
Taxes	170.373,59	100.808,29
Direct taxes	88.602,35	58.057,41
Indirect taxes	29.765,96	8.699,88
Rates	52.005,28	34.051,00
Inventory losses	5.629,59	6.448,22
Costs and losses in non financial investments	110.087,38	37.055,02
Other costs and losses	604.112,89	1.450.684,32
Donations	74.734,00	82.616,76
Levies	9.869,00	49.740,75
Insufficiency of tax estimates		32.946,38
Claim for compensations	454.393,97	886.983,73
Other operating costs and losses	65.115,92	398.396,70
Financing gains and losses	15.795,85	20.443,62
Interests paid – other interests	538,53	13,68
Other financing costs and losses – other	15.257,32	20.429,94
Other operating costs and losses	905.999,30	1.615.439,47

38. OTHER INCOME AND GAINS

As at 31 December 2013 and 2012 details of Other operating income were as follows:

	2013	2012
Supplementary income	1.941.082,46	2.054.908,69
Cash discounts	573,07	11.281,88
Inventory gains	52.605,34	44.398,90
Income and gains in non financial investments	520.027,14	323.950,73
Other income and gains	704.819,18	922.392,67
Surplus estimate of taxes	582,47	
Imputation of investment grants	108.120,29	170.179,88
Claims	233.898,19	288.937,20
Other grants	12.850,46	146.457,13
Benefits and contractual penalties	242.144,38	240.547,25
Other non specified	107.223,39	76.271,21
Other income and gains	3.219.107,19	3.356.932,87

39. LIABILITIES DUE TO GUARANTEES PROVIDED

Liabilities taken over for guarantees provided to third parties, as at 31 December 2013 and 2012:

Beneficiary of the guarantee	Description	2013	2012
Labour Courts	Work related injury and accident pensions	447.430,41	447.430,41
		447.430,41	447.430,41

40. NUMBER OF STAFF

During the years of 2013 and 2012 the average number of employees working for the company was 1.245 and 1.287, respectively. As at 31 December 2013 the number of employees was 1.231 and 1.262 on 31 December 2012.

41. NEGATIVE EQUITY

In the financial year of 2013 the company incurred a loss totaling 15.223.813,01 euros once, on this date its total liabilities exceeded its total assets by 422.996.578,11 euros.

Although the company has continuously been showing negative results, STCP plays a vital role in the transport sector delivering a relevant share of social service of a wider general interest that best suits mobility and travel requirements within the Porto Metropolitan Area thus, ensuring the Shareholder's commitment to continuing the performance of its business activity.

Porto, 24 April 2014

Certified Accountant n.º 6622

The Board of Directors

Non Executive Chairman

Executive Board Members

Non Executive Board Member



PASSEIO ALEGRE

1

TRIPLE
DESTILADO
DUPLA
SUAVIDADE

zona
3.5t



LEGAL CERTIFICATION OF ACCOUNTS

ANTÓNIO MAGALHÃES & CARLOS SANTOS

*Sociedade de Revisores Oficiais de Contas
Inscrita na Lista dos Revisores Oficiais de Contas sob o nº53
Registada na C.M.V.M com o nº.1975
Contribuinte nº.502 138 394*

CERTIFICAÇÃO LEGAL DAS CONTAS E RELATÓRIO DE AUDITORIA

INTRODUÇÃO

1. Nos termos da legislação aplicável, apresentamos a Certificação Legal das Contas e Relatório de Auditoria sobre a informação financeira contida no Relatório de Gestão e as demonstrações financeiras anexas do exercício findo em 31 de dezembro de 2013, da "SOCIEDADE DE TRANSPORTES COLECTIVOS DO PORTO, S.A." (Empresa), as quais compreendem: o Balanço em 31 de dezembro de 2013 (que evidencia um total de 90 949 milhares de euros e um total de capital próprio negativo de 422 997 milhares de euros, incluindo um resultado líquido negativo de 15 224 milhares de euros), as Demonstrações dos resultados por naturezas e por funções, a Demonstração das alterações no capital próprio e a Demonstração dos fluxos de caixa do exercício findo naquela data, e o correspondente Anexo.

RESPONSABILIDADES

2. É da responsabilidade do Conselho de Administração:

- a) a preparação do relatório de gestão e de demonstrações financeiras que apresentem de forma verdadeira e apropriada a posição financeira da Empresa, o resultado das suas operações e os fluxos de caixa;
- b) a informação financeira histórica, que seja preparada de acordo com os princípios contabilísticos geralmente aceites e que seja completa, verdadeira, atual, clara, objetiva e lícita, conforme exigido pelo Código dos Valores Mobiliários;
- c) a adoção de políticas e critérios contabilísticos adequados;
- d) a manutenção de um sistema de controlo interno apropriado;
- e) a informação de qualquer facto relevante que tenha influenciado a sua atividade, posição financeira ou resultados; e
- f) a informação financeira prospetiva, que seja elaborada e apresentada com base em pressupostos e critérios adequados e coerentes e suportada por um sistema de informação apropriado.

3. A nossa responsabilidade consiste em verificar a informação financeira contida nos documentos de prestação de contas acima referidos, designadamente sobre se é completa, verdadeira, atual, clara, objetiva e lícita, conforme exigido pelo Código dos Valores Mobiliários, competindo-nos emitir um relatório profissional e independente baseado no nosso exame.

ÂMBITO

4. O exame a que procedemos foi efetuado de acordo com as Normas Técnicas e as Diretrizes de Revisão/Auditoria da Ordem dos Revisores Oficiais de Contas, as quais exigem que o mesmo seja planeado e executado com o objetivo de obter um grau de segurança aceitável sobre se as demonstrações financeiras estão isentas de distorções materialmente relevantes. Para tanto o referido exame incluiu:

- a verificação, numa base de amostragem, do suporte das quantias e divulgações constantes das demonstrações financeiras e a avaliação das estimativas, baseadas em juízos e critérios definidos pelo Conselho de Administração, utilizadas na sua preparação;
- a apreciação sobre se são adequadas as políticas contabilísticas adotadas e a sua divulgação, tendo em conta as circunstâncias;

Página 1 de 2

ANTÓNIO MAGALHÃES & CARLOS SANTOS

*Sociedade de Revisores Oficiais de Contas
Inscrita na Lista dos Revisores Oficiais de Contas sob o n.º 53
Registada na CMVM com o n.º 1975
Contribuinte n.º 502 138 394*

- a verificação da aplicabilidade do princípio da continuidade;
- a apreciação sobre se é adequada, em termos globais, a apresentação das demonstrações financeiras; e
- a apreciação se a informação financeira é completa, verdadeira, atual, clara, objetiva e lícita.

5. O nosso exame abrangeu ainda a verificação da concordância da informação constante do relatório de gestão com os restantes documentos de prestação de contas, bem como as verificações previstas nos números 4 e 5 do artigo 451º do Código das Sociedades Comerciais.

6. Entendemos que o exame efetuado proporciona uma base aceitável para a expressão da nossa opinião.

OPINIÃO

7. Em nossa opinião, as referidas demonstrações financeiras apresentam de forma verdadeira e apropriada, em todos os aspetos materialmente relevantes, a posição financeira da "SOCIEDADE DE TRANSPORTES COLECTIVOS DO PORTO, S.A." em 31 de dezembro de 2013, o resultado das suas operações, as alterações no capital próprio e os fluxos de caixa no exercício findo naquela data, em conformidade com os princípios contabilísticos geralmente aceites em Portugal e a informação nelas constante é completa, verdadeira, atual, clara, objetiva e lícita.

RELATO SOBRE OUTROS REQUISITOS LEGAIS

8. É também nossa opinião que a informação constante do Relatório de Gestão é concordante com as demonstrações financeiras do exercício e o Relatório do Governo das Sociedades inclui os elementos exigíveis nos termos do artigo 245º-A do Código dos Valores Mobiliários.

ÊNFASES

9. Sem afetar a opinião expressa no parágrafo n.º 7 acima, chamamos a atenção para as situações seguintes:

9.1 - A Empresa mantém a situação de incumprimento do estipulado no Artigo 35.º do Código das Sociedades Comerciais. O aviso convocatório da próxima Assembleia Geral Anual, preparado pelo Conselho de Administração, propõe, no ponto 4, da Ordem de Trabalhos deliberação sobre este assunto.

9.2 - A Empresa mantém sucessivos resultados negativos de exercício, os quais contribuem para o crescente avolumar da situação de capitais próprios negativos. Não obstante essa circunstância, em nosso entendimento, a continuidade das operações não está em causa, atendendo ao facto do capital realizado pertencer integralmente ao Estado, a Empresa prestar um serviço público que incorpora uma quota parte de serviço de cariz social significativa e imprescindível e, tal como descrito no ponto 6 do Relatório de Gestão, estarem previstas para 2014 alterações significativas no modelo organizacional da Empresa que permitirão minimizar esta situação.

Porto, 7 de maio de 2014


António Magalhães & Carlos Santos - SROC, representada
por Carlos Alberto Freitas dos Santos - R.O.C. n.º 177

Página 2 de 2

RESERVADO

11 Lugares na Retaguarda

1





SUPERVISORY BOARDS' REPORT AND OPINION

RELATÓRIO ANUAL DO
CONSELHO FISCAL
SOBRE O
O RELATÓRIO E CONTAS DE 2013
DA
SOCIEDADE DE TRANSPORTES COLECTIVOS DO PORTO,
S.A.

1 

1. Introdução

No cumprimento do estabelecido na alínea f) do n.º 1 do artigo 16º do Decreto-Lei n.º 202/94, de 23 de Julho, que rege a STCP, S.A. e aprovou os respetivos Estatutos, e em conformidade com a legislação em vigor e com o mandato que nos foi confiado, vem o Conselho Fiscal emitir o seu Relatório anual sobre o Relatório de Gestão e Contas de 2013, o qual contempla, igualmente, nos termos do ofício circular da Direcção-Geral do Tesouro e Finanças n.º 832, de 14 de fevereiro de 2014:

- i) a avaliação do grau e das condições de cumprimento das orientações e objetivos de gestão previstos no artigo 24.º do Decreto-Lei n.º 133/2013, de 3 de outubro;
- ii) a aferição do cumprimento das orientações legais vigentes para o SEE, designadamente o cumprimento das reduções remuneratórias previstas na Lei n.º 66-B/2012, de 31 de dezembro, bem como, dos princípios do governo societário, conforme disposto no n.º 2, do artigo 54.º do Decreto-Lei n.º 133/2013, de 3 de outubro.

O Revisor Oficial de Contas Dr. Carlos Alberto Freitas dos Santos, representante da Sociedade de Revisores Oficiais de Contas António Magalhães & Carlos Santos, emitiu a respectiva Certificação Legal das Contas a 7 de maio de 2014, que se anexa.

Na realização do seu trabalho o Conselho Fiscal obteve toda a cooperação necessária por parte dos membros do Conselho de Administração da Sociedade, e dos respetivos colaboradores, indispensável à elaboração do presente Relatório.

2. Análise do Relatório de Gestão e Contas de 2013

Do Relatório e Contas de 2013 parece-nos de salientar o seguinte:

- Em termos de atividade constatou-se que o volume de negócios da STCP, em 2013, correspondeu a cerca de EUR 49,5 milhões, com um decréscimo de 7%, face ao ano transato;

▪ Em 2013, a STCP disponibilizou aos clientes uma Rede de Transportes com 72 linhas de serviço público, 69 linhas em modo autocarro e 3 linhas em modo carro elétrico, e prestou um serviço 24h por dia, nos 365 dias do ano;

▪ A Procura registou, em 2013, uma quebra de -7,5% face a 2012, que poderá ser explicada por três causas principais:

1. A integração global na rede intermodal Andante veio permitir uma maior transferência de passageiros entre os diferentes modos de transporte na Área Metropolitana do Porto (AMP), contribuindo, assim, para um aumento generalizado das condições de mobilidade, situação essa que afetou negativamente a procura da STCP;

2. De referir ainda, que ao longo de 2013 foi prosseguida uma política de racionalização da oferta, com ajustamentos adicionais de horários e frequências, para rentabilização dos recursos disponíveis; e

3. Acrescente-se a difícil conjuntura económica registada na AMP, com elevado índice de desemprego que, para além de contribuir para a redução de deslocações, poderá potenciar também a fraude.

O carro elétrico, assumindo claramente uma vertente turística, registou um aumento de passageiros de 6,9% (+25 mil passageiros), representando 0,5% da procura total em 2013;

▪ Apesar da procura em 2013 ter apresentado uma variação de -7,5%, a receita registou um ligeiro aumento de 0,3%, explicado pelo aumento tarifário que ocorreu no início de 2013, mas sobretudo pelo incremento da utilização do tarifário intermodal por parte dos clientes em detrimento do tarifário monomodal;

▪ A oferta da STCP atingiu 22,7 milhões de veículos km em 2013, apresentando uma redução de 171 mil veículos km face a 2012, i.e. menos 0,8%. Considerando a produção contratada residual em 2013, no montante de 802 mil veículos km, a oferta global da STCP atingiu os 23,5 milhões de veículos km.

A STCP continua a proceder à reestruturação da sua rede de transportes tendo como pressuposto o princípio da complementaridade com a rede da Metro do Porto, tendo efetuado ajustamentos na sua oferta, quer em termos de alteração de percursos, quer em termos de horários, quer em termos de localização de paragens, no sentido de fomentar a intermodalidade.

Também o Plano Estratégico dos Transportes (RCM n.º 45/2011, publicada no D.R. 1ª série nº 216, de 10 de novembro de 2011) define como objetivo a complementaridade entre as redes da STCP e Metro do Porto. No capítulo 4.5.4.3 — Metro do Porto e STCP, está referido: "As redes da Metro do Porto, STCP e outros operadores de transportes públicos deverão ser complementares e não concorrentes." Apesar da reformulação de oferta realizada em 2007, a rede da STCP mantém uma parte da sua oferta concorrente com outros operadores e com a Metro do Porto;

▪ A taxa de ocupação global (Passageiros.km/Lugares.km) foi de 13,9% em 2013, apresentando uma diminuição de 0,9 p.p. em comparação com o ano anterior, resultado da diminuição de 7,4% dos passageiros km e de 1,2% dos lugares km.

▪ No final de 2013 a frota da STCP era constituída por 474 autocarros, com uma idade média de 11 anos e 6 carros elétricos de serviço público.

A STCP poupou em 2013 cerca de 3,8 milhões de euros em combustível e evitou a emissão de 527 toneladas de CO₂, com a utilização da frota a gás natural quando equiparado com a mesma solução a gasóleo. Desde 2001, ano de início da utilização das viaturas a gás natural, a poupança devida à diversificação energética — utilização de gás em vez de gasóleo — foi de cerca de 25,8 milhões de euros e de 6.225 toneladas emissões de CO₂.

Durante o ano de 2013 a STCP não procedeu à aquisição de veículos novos e verificou-se o abate de um veículo, reduzindo cerca de 2% ao total da frota não afeta ao serviço público, sendo de 55 veículos em 31 de dezembro, incluindo camiões grua, carro torre e furgões;

▪ Em 31 de dezembro de 2013, a STCP contava com 1.231 trabalhadores, tendo reduzido 31 efetivos (-2,5%) relativamente a igual período de 2012. No ano em apreço, 20 das 31 saídas foram por motivo de reforma e não se registaram quaisquer entradas. O efetivo médio da Empresa em 2013 foi de 1.245 trabalhadores. O pessoal tripulante, motoristas e guarda-freios, representava, no final do ano, 70% dos trabalhadores. Cerca de 91% dos trabalhadores têm contrato laboral sem termo.

O número de horas de trabalho suplementar aumentou cerca de 2% (+2,3 mil horas) concentrando-se na sua quase totalidade (97,3%) no pessoal tripulante. O custo com o trabalho suplementar reduziu 0,4% face ao ano anterior. A antiguidade média dos trabalhadores da STCP é de 22,2 anos e a idade média destes é de 48,3 anos, encontrando-se 20% na faixa etária inferior a 40 anos.

Da aplicação do artigo 63.º da Lei nº 66-B/2012 (OE2013) ao efetivo em 31 de dezembro de 2013, constata-se que as metas são largamente ultrapassadas no que respeita à redução do pessoal dirigente, já no que respeita à totalidade dos recursos humanos, situam-se ligeiramente abaixo, atingindo a redução de 2,5% face a 2012 e cerca de 17,7% face a 1 de janeiro de 2011. De realçar que a STCP desde há vários anos vem procedendo à redução do seu efetivo, que diminuiu em mais de 50% (1.550 trabalhadores), nos últimos 15 anos;

▪ Os Resultados Operacionais foram de cerca de -6,4 milhões de euros, representando uma melhoria de 37% face a 2012. Apesar da diminuição dos Rendimentos Operacionais em 3 milhões de euros (-4,7%) face ao período homólogo do ano anterior, registou-se uma compensação pela descida dos Gastos Operacionais em 6,7 milhões de euros (-9,1%);

▪ Os Rendimentos Operacionais foram de 61,4 milhões de euros em 2013, registando uma diminuição de 3 milhões de euros (-4,7%), em resultado das alterações da oferta associados à extinção dos acordos de produção contratada;

A variação de 1,1 milhões (+10,3%) registada na rubrica Subsídios à Exploração, refere-se ao subsídio PAII - Programa de Apoio Integrado a Idosos, no âmbito do protocolo estabelecido com o Instituto de Gestão Financeira da Segurança Social, pois em 2013 foi reconhecido o valor do ano e uma parcela adicional correspondente ao exercício de 2012;

▪ Os Gastos Operacionais foram de 67,8 milhões de euros (-9,1% face a 2012). Destaca-se a diminuição dos Fornecimentos e Serviços Externos, em 6,1 milhões de euros (-20%) que se explica pela diminuição: de 3,7 milhões de euros na rubrica subcontratos; de 0,8 milhões de euros em combustíveis; de 0,8 milhões de euros em trabalhos especializados; de 0,4 milhões em rendas e alugueres e uma diminuição de 45% dos gastos com comunicações correspondendo a 164 mil euros.

Os Gastos com Pessoal registaram um aumento de 0,7 milhões de euros (+2,2%) face a 2012, em resultado do Acórdão n.º187/2013 do Tribunal Constitucional, de 05 de Abril de 2013, que declarou como força obrigatória geral, inconstitucional a norma do artigo 29.º da Lei n.º 66-B/2012, de 31 de Dezembro, e determina o pagamento pela Empresa, do subsídio de férias ou quaisquer prestações correspondentes ao 14.º mês.

Os encargos associados ao referido acórdão ascenderam a cerca de 3,2 milhões de euros, relativos ao reconhecimento do gasto adicional com o subsídio de férias do ano de 2012 e 2013;

▪ O EBITDA cifrou-se em cerca de 5,8 milhões de euros, representando uma variação positiva (30%) face ao ano anterior, refletindo a melhoria dos Resultados Operacionais de 37%;

▪ Mais uma vez se constata que o financiamento da atividade da empresa decorreu essencialmente do recurso a capitais alheios, fixando-se o aumento do endividamento em 6,8% face a 2012, com recurso essencialmente à utilização de financiamentos de curto prazo. A STCP terminou o ano de 2013 com uma dívida total remunerada de 395,9 milhões de euros, que compara com 370,7 milhões de euros de 2012.

O limite de endividamento de 4% para 2013, definido no Despacho n.º 155/2011 do Ministro de Estado e das Finanças, de 28 de abril, foi excedido, essencialmente em resultado do *Termination Agreement* do swap do BNP Paribas e pelo pagamento do subsídio de férias decorrente do Acórdão n.º 187/2013 do Tribunal Constitucional. Excluindo estes dois efeitos, excecionais e não orçamentados, o aumento do endividamento seria de cerca 4%;

- No âmbito da política de financiamento em curso para as empresas do Setor Empresarial do Estado, durante o ano de 2013, a STCP contratou e renovou várias operações de crédito, todas de curto prazo, e somente na estrita medida das suas necessidades de financiamento.

A empresa procurou modificar o perfil desta dívida com o intuito de alargar prazos de financiamento e aliviar a pressão sobre a liquidez, o que não foi conseguido.

De referir que a alteração da estrutura da dívida entre médio e longo prazo e curto prazo foi originada pela aproximação do vencimento (em outubro 2014) do empréstimo obrigacionista de 120 M€.

Os juros remuneratórios suportados e outros encargos em 2013, de 21,3 milhões de euros, mantêm globalmente, o mesmo nível de 2012, de 21 milhões de euros, correspondendo a um aumento de 1,9%. No ano verificou-se uma ligeira melhoria de condições de financiamento ao nível de *spreads* e uma degradação dos custos em comissões bancárias nas contratações de curto prazo. Em termos de encargos com operações de medio/longo prazo, os níveis historicamente baixos da Euribor permitiram uma diminuição significativa em cada um dos cupões.

Os encargos com *swaps* contabilizados na rubrica Juros suportados, representaram, em 2013, cerca de 24% do total de juros suportados, correspondendo a 4,5 milhões de euros, + 11% do que o montante atingido em 2012, de 4 milhões de euros.

A partir de dezembro de 2013 e por aplicação do Decreto-Lei n.º 133/2013, de 03 de outubro, sendo a STCP uma empresa pública não financeira do setor empresarial do Estado, que anualmente apresenta capital próprio negativo, só pode aceder a financiamento junto de instituições de crédito com prévia autorização da Direção Geral do Tesouro e Finanças, a qual solicita parecer vinculativo à Agência de Gestão da Tesouraria e da Dívida Pública, IGCP, EPE, quanto às condições financeiras aplicáveis. A empresa passou a apresentar o pedido formal de autorização de cada uma das operações, novas ou renovações, previamente, negociando as melhores condições junto das instituições financeiras, tendentes à necessária aprovação;

- Os Resultados Financeiros, em 2013, cifraram-se nos -8,8 milhões de euros, representando uma melhoria de 86% face ao ano anterior. A contribuir para este resultado destaca-se 12,5 milhões de euros de variação positiva de justo valor de *swap* em 2013, que compararam com 42,3 milhões de euros de variação negativa de 2012.

A STCP detinha desde 2007 duas operações de cobertura de risco de taxa de juro, cada uma correspondendo a 25% do valor nominal do empréstimo obrigacionista de 100 milhões de euros, celebradas com o BNP Paribas e com o Banco Santander Totta, com maturidades de junho de 2022. Em maio de 2013 foram canceladas, com apoio da Agência de Gestão da Tesouraria e da Dívida Pública, IGCP, E.P.E., as operações de *swap* de cobertura de taxa de juro, celebradas com o BNP Paribas, liquidadas com um valor negativo de cerca de 7,9 milhões de euros;

Em 31 de dezembro de 2013, a STCP detinha, assim, em carteira a operação de cobertura de taxa de juro com o Banco Santander Totta, S.A. cujo justo valor era de -95.069.619,25 euros (este valor incluiu os juros vencidos e não pagos, no montante de 2.438.641,83 euros). Esta operação foi objeto de uma ação judicial interposta pela instituição de crédito através do Tribunal de Comércio de Londres, em 10 de maio 2013, com o objetivo de pedir o reconhecimento da legalidade do contrato de derivado celebrado com a STCP, S.A.. Com base nos fundamentos jurídicos de nulidade do contrato, o Conselho de Administração, com autorização da Tutela, deliberou a desvinculação do cumprimento das obrigações que do contrato decorrem. Assim, a STCP suspendeu o pagamento de todas as obrigações decorrentes do contrato em litígio.

Tal como já referimos, os Gastos Financeiros sem *swap* aumentaram 1,9% face a 2012, cifrando-se nos 21,3 milhões de euros. Apesar da diminuição do *All-in* médio de 2013 em 0,27 p.p., ficando este nos 4,48%, contribuiu negativamente para os Gastos Financeiros o aumento da dívida remunerada em 6,8%;

- Em 2013 registou-se uma melhoria de 58 milhões de euros (79%) no Resultado Líquido do Exercício face ao ano anterior, tendo sido negativo em cerca de 15.223,8 milhares de euros.

Esta melhoria resulta da melhoria dos Resultados Financeiros, em 86%, e dos Resultados Operacionais, em 37% face a 2012;

▪ O Ativo sofreu uma redução de 3 milhões de euros (-3,2%) em 2013 face a 2012. Contribuiu para este resultado a diminuição do ativo não corrente, de 6,5 milhões de euros, explicada essencialmente pela diminuição da rubrica Ativos fixos tangíveis em 7,7 milhões de euros, atenuada pelo aumento do ativo corrente de 3,5 milhões de euros, explicada essencialmente pelo aumento das rubricas Outras Contas a Receber, no montante de 3,3 milhões de euros;

▪ O Passivo registou um aumento em 2013 de 12,3 milhões de euros (+2,5%) em comparação com 2012, destacando-se os aumentos de 25,3 milhões de euros correspondentes a Financiamentos Obtidos, sendo compensados pela diminuição de 17,9 milhões de euros referentes a Outros Passivos Financeiros;

▪ O investimento em 2013, foi de 67 mil euros, reflexo da decisão da tendência para investimento zero em 2013. Este investimento resultou essencialmente da aquisição de equipamento administrativo, informático e *software*;

▪ O Capital Próprio da STCP, S.A. é crescentemente negativo, por via dos sucessivos aumentos da rubrica Resultados Transitados, atingindo em 2013, cerca de 422.997 milhares de euros negativos, ou seja, o passivo da empresa excede o seu ativo por este mesmo valor;

▪ Por fim, reiteramos as ênfases assinaladas na certificação legal das contas e no relatório de auditoria emitida pelo ROC da sociedade, nomeadamente quanto ao incumprimento do disposto no art. 35.º do Código das Sociedades Comerciais e aos sucessivos resultados negativos de exercício, os quais contribuem para o crescente avolumar da situação de capitais próprios negativos.

3. Avaliação do grau e das condições de cumprimento das orientações e objetivos de gestão previstos no artigo 24º do Decreto-Lei n.º 133/2013, de 3 de outubro

Considerando a inexistência de contratos de gestão aprovados, conforme exposto no ponto 4.4 da página 61 do Relatório e Contas 2013 e considerando o descrito no Anexo I do ofício circular da Direcção-Geral do Tesouro e Finanças n.º 832, de 14 de fevereiro de 2014, entende-se de relevar os objetivos propostos pelo Conselho de Administração e aprovados pelo acionista, em sede de Plano de Atividades e Orçamento de 2013.

Neste contexto e considerando a análise dos indicadores financeiros constante da página 61 do Relatório e Contas 2013, destaca-se o seguinte:

1. O cumprimento dos indicadores relativos aos Gastos Operacionais, EBITDAR e Taxa de Cobertura foi prejudicado pelo facto de os objetivos assentarem na não reposição dos subsídios de férias; por não ter sido reconhecido em 2012 o custo com o direito a subsídio de férias adquirido nesse ano e o mesmo ter acrescido aos Gastos de 2013. Estes efeitos são agravados pela não concretização do plano de redução de efetivos.
 2. O índice de qualidade de oferta foi penalizado devido ao aumento de reclamações.
 3. Procedeu-se à alteração de metodologia de cálculo do objetivo de emissão de poluentes e onde está referido 91,0 deverá ser considerado 115,1.
 4. O concurso de operação e manutenção encontra-se em estudo na Tutela, integrado no processo mais geral da abertura à iniciativa privada dos sistemas de transportes de Lisboa e do Porto, o que não permitiu o seu lançamento em 2013.
 5. No que respeita à reestruturação/fusão a mesma só será realizável a 100% quando estiver definida pela Tutela quais as funções e responsabilidades a imputar à empresa/entidade resultante da referida reestruturação/fusão.
- 4. Avaliação do cumprimento das instruções emanadas pelo acionista, através do ofício circular n.º 843, de 30 de janeiro de 2013, da Direcção-Geral do Tesouro e Finanças Aferição do cumprimento das orientações legais vigentes para o SEE, designadamente o cumprimento das reduções remuneratórias previstas na Lei n.º 66-B/2012, de 31 de dezembro, bem como, dos princípios do governo societário, conforme disposto no n.º 2, do artigo 54.º do Decreto-Lei nº 133/2013, de 3 de outubro.**

- Enquadrado no âmbito do disposto no artigo 420.º do CSC, declaramos que, tanto quanto é do conhecimento deste Conselho Fiscal, a STCP deu cumprimento às orientações legais vigentes para o SEE, designadamente o cumprimento das reduções remuneratórias e não atribuição de prémios previstas na Lei n.º 66-B/2012, de 31 de dezembro, quer ao nível dos órgãos de gestão e fiscalização, quer ao nível dos trabalhadores;

- Em relação ao cumprimento das demais orientações legais vigentes para o SEE, salientam-se apenas as seguintes situações:

- No final do 4.º trimestre de 2013 o PMP foi de 54 dias, quando em igual período de 2012, era de 46 dias, registando-se, assim, um aumento de 18%, face ao ano anterior. O PMP é calculado pelo rácio dívida a fornecedores e credores diversos e aquisições de bens e serviços. Registou-se em 2013 face a 2012, uma diminuição dos valores em dívida a fornecedores em 8%, enquanto as aquisições de bens e serviços tiveram uma redução de 22%. Em consequência o PMP aumentou em cerca de 8 dias.

As dívidas vencidas, de acordo com o Artigo 1º do Decreto-Lei n.º 65-A/2011, ascendem a 426,6 mil euros. No entanto, cerca de 369 m€ (86%) destas dívidas respeitam a transações entre empresas participadas da STCP, nomeadamente entre a TIP (77%), a Metro do Porto (9%) e a STCP Serviços (1%). Estas entidades são simultaneamente devedoras e credoras da STCP. O montante restante refere-se a faturas em conferência e a regularização de faturas;

- O limite estabelecido para os gastos com comunicações em 2013 - i.e. 50% da média dos gastos relativos a 2010 - foi cumprido, registando-se -55,3%;

- Verificou-se uma redução do número de trabalhadores em 2013, face aos existentes em 31 de dezembro de 2012, conforme exposto na página 63 do Relatório e Contas 2013. Da aplicação do artigo 63º da Lei nº 66-B/2012 (OE), ao efetivo em 31 de dezembro de 2013, constata-se que as metas são largamente ultrapassadas no que respeita à redução do pessoal dirigente, já no que respeita à totalidade dos recursos humanos, situam-se ligeiramente abaixo, atingindo a redução de 2,5% face a 2012 e cerca de 17,7% face a 1

de janeiro de 2011. De realçar que a STCP desde há vários anos vem procedendo à redução do seu efetivo, que diminuiu em mais de 50% (1.550 trabalhadores), nos últimos 15 anos;

- Em conformidade com as disposições legais, a STCP apresentou o Relatório de Governo Societário 2013 que contém as matérias reguladas pelos Princípios do Governo Societário de acordo com o modelo constante do anexo II, do citado ofício circular da DGTF de 14 de fevereiro de 2014, constando da página 81 do Relatório e Contas 2013 o quadro com as respetivas correspondências relativas às matérias divulgadas naquele Relatório;

- No que respeita ao cumprimento dos deveres especiais de informação, e relativamente aos documentos acompanhados diretamente pelo Conselho Fiscal, a STCP remeteu à Direção-Geral do Tesouro e Finanças e à Inspeção-Geral de Finanças a informação exigida nos termos do Despacho n.º 14277/2008, de 23 de maio, através dos Sistemas de Recolha de informação Económica e Financeira (SIRIEF), os planos de atividades anuais e plurianuais, os orçamentos anuais, incluindo estimativa das operações financeiras com o Estado, os planos de investimentos anuais e plurianuais e respetivas fontes de financiamento, os relatórios trimestrais de execução orçamental acompanhados dos relatórios do órgão de fiscalização, e as cópias das atas das Assembleias Gerais (AG);

- Em matéria de contratação pública Em 2013 foram lançados os concursos públicos: n.º 1/2013 – Concurso Público Internacional para o Fomecimento contínuo de Gás Natural para a Frota da STCP e Manutenção do Equipamento da Estação de Enchimento e n.º CO/2013/158 – Concurso Público com Publicitação Internacional para Contratação de Apólices e Serviços de Seguro. Não ocorreram quaisquer atos ou contratos celebrados com valor superior a 5 M€;

- No âmbito das Grandes Opções do Plano para 2013, previstas na Lei n.º 66-A/2012 de 31 de dezembro, no que respeita a:

- a) Sistema Nacional de Compras Públicas (SNCP), a STCP aderiu ao SNCP em março de 2011, através da celebração de contrato com a Agencia Nacional de Compras Públicas, E.P.E.. Em 2013, não se procedeu a qualquer adjudicação ao abrigo deste Sistema;

b) Parque de Veículos do Estado – durante o ano de 2013 a STCP não procedeu à aquisição de veículos novos. Verificou-se o abate de um veículo, reduzindo 2% ao total da frota não afeta ao serviço público, sendo de 55 veículos em 31 de dezembro, incluindo camiões grua, carro torre e furgões.

- No âmbito do cumprimento das medidas de redução de gastos operacionais conforme ofício-circular nº 7896 de 8 de Outubro de 2013, relativo às instruções sobre a elaboração dos Instrumentos Previsionais de Gestão (IPG) para 2013, destaca-se o cumprimento integral de todas as metas impostas para redução dos gastos operacionais em 2013 em comparação com 2010. O somatório das rubricas Custo das Mercadorias Vendidas e das Matérias Consumidas (CMVMC), Fornecimentos e Serviços Externos (FSE) e Gastos com Pessoal deduzidos das Indemnizações por Cessação de Contrato de Trabalho (ICCT) atingiram em 2013 o montante de 57,6 milhões de euros, tendo uma redução de 21,2% face a 2010, cujo montante foi cerca de 73 milhões de euros. O peso dos Gastos no Volume de Negócios foi reduzido em 22% de 2010 para 2013.

- Em 2012 a STCP gastou 9.597 euros em publicidade institucional, apresentando, no seu relatório e contas, uma informação sintética sobre as iniciativas de publicidade institucional no ano de 2013, nos termos do nº 10 da RCM nº 47/2010, publicada na 1ª série do Diário da República de 25 de junho, e de acordo com o Anexo 1 ao Despacho nº 1246/2011 do Gabinete do Ministro dos Assuntos Parlamentares, publicada na 2ª série do Diário da República de 14 de janeiro, tendo as respetivas normas e especificações técnicas sido definidas através da Portaria da Presidência do Conselho de Ministros e Ministério das Finanças e Administração Pública nº 1297/2010, publicada na 1ª série do Diário da República de 25 de junho. O Relatório e Contas da Empresa e a *Newsletter Itinerarium* neste âmbito, de acordo com a definição de publicidade institucional incluída no ponto 2 da RCM nº 47/2010, de 25 de junho. No ano de 2013 não houve nenhuma ação de valor superior a 15 mil euros.

- Sublinha-se que, na sequência das orientações recebidas através do Ofício Circular 844 de 3 de fevereiro de 2011, a STCP procedeu em 2011 à abertura de conta junto do ex-Instituto de Gestão do Crédito Público (IGCP), atual Agência de Gestão da Tesouraria e da Dívida Pública, IGCP, E.P.E., no estrito cumprimento do previsto no artigo 77.º da Lei nº 55-A/2010, de 31 de dezembro, que aprovou o Princípio da Unidade de Tesouraria. Dado o



carácter centralizador de gestão integrada de tesouraria e de dívida pública desta Agência, a STCP passou a receber nesta conta as participações e fundos, provenientes de Organismos Públicos.

Nos termos da Lei 66-B/2012, artigo nº 124, de 31 de dezembro, toda a movimentação de fundos deve ser efetuada por recurso aos serviços bancários disponibilizados pelo IGCP, E.P.E., salvo disposição legal em contrário, ou nas situações como tal reconhecidas por Despacho do membro do governo responsável pela área das finanças, em casos excecionais e devidamente fundamentados, após parecer prévio do IGCP, E.P.E.. Em 2013 a STCP dirigiu à Secretaria de Estado do Tesouro um pedido de regime de exceção ao princípio da unidade de tesouraria, tendo por base as relações com a banca comercial no que concerne a apoio financeiro à atividade, a operações de consolidação em médio/longo prazo, a operações de leasing financeiro ou de aluguer operacional, a operação de cobertura de risco de taxa de juro, a emissão de garantias bancárias, a transações por meio de cheque, ao uso de equipamentos ATM, entre outras. Por Despacho nº 2429/13, da Secretaria de Estado do Tesouro, de 19 de dezembro de 2013, foi autorizado o regime de exceção ao cumprimento do princípio de unidade de tesouraria, atenta a relevância da banca comercial na atividade da empresa.

- A STCP está classificada como uma empresa com elevado grau de cumprimento dos PBG no relatório "Princípios de Bom Governo", datado de agosto de 2013, da Direção Geral do Tesouro e Finanças.

- A STCP tem desde 2012 órgãos não executivos, pelo que, a avaliação do desempenho individual dos os membros do Conselho de Administração Executivos é efetuada pelos membros do Conselho de Administração Não Executivos, em cumprimento do ponto 17 da Resolução do Conselho de Ministros n.º 49/2007, publicada no *Diário da República*, 1.ª série—N.º 62—28 de Março de 2007, que aprova os Princípios de Bom Governo (PBG);

5. Proposta

Face ao exposto e considerando os elementos disponibilizados, o Conselho Fiscal, no âmbito das suas competências, conclui que o Relatório e Contas de 2013 cumpre as



exigências legais aplicáveis, revelando a situação da Sociedade, pelo que, somos de parecer que seja:

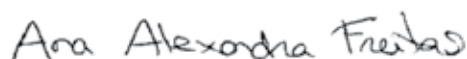
- Aprovado o Relatório de Contas de 2013 apresentado pelo Conselho de Administração da Sociedade de Transportes Colectivos do Porto, S.A, atentas as ênfases expressas na CLC; e,
- Apreciada a proposta de aplicação de resultados apresentada pela Administração, a qual está em conformidade com as disposições legais e estatutárias.

Porto, 13 de Maio de 2014

O Presidente do Conselho Fiscal,



Os Vogais do Conselho Fiscal,



P. ALEGRI

500

17







ADDITIONAL INFORMATION

10.1 Panel of Activity Indicators

NETWORK

	2010	2011	2012	2013	13/12
Operating Lines	85	81	73	72	-1,4%
Road	82	78	70	69	-1,4%
Tram	3	3	3	3	0,0%
Municipalities served	6	6	6	6	0,0%
Parishes served	53	51	51	51	0,0%
Bus stops	2.720	2.651	2.458	2.461	0,1%
Stretch (km)	545,6	522,0	484,7	480,2	-0,9%
Road	543,2	519,5	482,1	477,7	-0,9%
Trams	8,9	8,9	8,9	8,9	0,0%
BUS lanes	24,7	23,9	24,0	23,3	-2,7%

DEMAND

	2010	2011	2012	2013	13/12
(amounts in thousands)					
Passengers					
Buses (B)	108.830	107.960	93.399	80.035	-14,3%
In-house Production	95.515	94.978	84.700	78.288	-7,6%
Private Operators (PO)	13.315	12.982	8.699	1.746	-79,9%
Trams	390	429	362	387	6,9%
Passengers	109.220	108.389	93.761	80.421	-14,2%
Passengers.km	388.666	384.609	348.413	294.081	-15,6%

Type of used tickets	2010	2011	2012	2013	13/12
single mode passengers	63,2%	59,0%	50,3%	18,0%	-32,3 pp
- season tickets	50,8%	48,0%	39,8%	13,8%	-26,0 pp
- occasional tickets	7,9%	7,0%	7,0%	0,6%	-6,4 pp
- loose + daily tickets	4,4%	4,0%	3,5%	3,6%	0,2 pp
intermodal passengers	36,8%	41,0%	49,7%	82,0%	32,3 pp
- season tickets	29,6%	33,2%	40,1%	65,5%	25,4 pp
- occasional tickets	6,6%	7,3%	9,2%	16,1%	6,8 pp
- daily tickets	0,7%	0,6%	0,4%	0,4%	0,0 pp

REVENUE

Net Revenue by type of fare pricing	(amounts in thousand euros)				
	2010	2011	2012	2013	13/12
Single Mode Revenue	31.121	29.689	26.240	10.154	-61%
Andante Revenue	18.045	20.928	23.652	36.048	52%
Total	49.166	50.617	49.892	46.202	-7,4%

SALES NETWORK

Sales Channels	2010	2011	2012	2013	13/12
Payshop Agents	495	500	514	527	3%
CTT Post Offices	85	67	0	0	0%
STCP Sales Points	3	2	2	2	0%
Andante Shops and Sales Points	17	17	17	17	0%
CP Ticket Offices	5	5	5	5	0%
Metro do Porto and CP Ticket Vending Machines	179	232	232	232	0%
Total	784	823	770	783	2%

CUSTOMERS COMPLAINTS

By Entry Channel	2010	2011	2012	2013	13/12
Ombudsman's Office	487	445	0	0	0%
Blue Line - Customer Service Helpline	1.011	521	901	2.103	133%
Complaints Book	210	102	118	131	11%
Other Channels	362	178	211	195	-8%
Total Complaints	2.070	1.246	1.230	2.429	97%

Type of Complaints	2010	2011	2012	2013	13/12
Network and Routes	61	83	30	35	17%
Timetables	932	435	571	1.675	193%
Ticketing System	213	118	156	132	-15%
Staff Behaviour	406	370	323	414	28%
Information to the Public	144	63	30	33	10%
Bus Stops and Shelters	64	39	18	19	6%
Other	208	107	74	81	9%
Vehicles	42	31	28	40	43%
Total	2.070	1.246	1.230	2.429	97%

SUPPLY

Total Production	(amounts in thousand kms)				
	2010	2011	2012	2013	13/12
Buses	29.740	28.553	25.616	23.341	-9%
Trams	108	110	115	116	0,3%
Vehicles.km	29.848	28.663	25.731	23.457	-9%
Buses	2.602.705	2.534.268	2.300.922	2.114.507	-8%
Trams	4.538	4.602	4.846	4.863	0,3%
Places.km	2.607.242	2.538.869	2.305.768	2.119.370	-8,1%

Overall Occupancy Rate	2010	2011	2012	2013	13/12
Buses	14,9%	15,1%	15,1%	13,9%	-1,2 pp
Trams	15,9%	19,2%	12,0%	12,4%	0,4 pp

Total Commercial Speed	2010	2011	2012	2013	13/12
Buses	16,1	15,9	15,8	15,8	0%
Trams	7,6	7,1	7,4	7,3	-1%

Own Bus Operating Fleet	(amounts in thousands)				
	2010	2011	2012	2013	13/12
Average Number of Vehicles (un.)	401	390	368	380	3%
Vehicles.km	25.724	24.507	22.711	22.539	-1%
Places.km	2.296.833	2.225.859	2.075.308	2.049.536	-1%
Vehicles.hour	1.613	1.555	1.452	1.430	-2%

Indicators of Own Bus Fleet Supply	2010	2011	2012	2013	13/12
Occupancy rate (%)	14,5%	14,8%	14,8%	13,9%	-0,9 pp
Commercial Speed (km/h)	15,9	15,8	15,6	15,8	1%
Collision Accident Rate (per million km)	39	40	37	36	-2%

Private Transport Providers' Operating Fleet	(amounts in thousands)				
	2010	2011	2012	2013	13/12
Vehicles.km	4.016	4.046	2.905	802	-72%
Places.km	305.872	308.409	225.614	64.971	-71%
Vehicles.hour	238	239	172	47	-72%

Indicators of Private Operators' Fleet Supply	2010	2011	2012	2013	13/12
Occupancy rate (%)	18,2%	17,4%	18,1%	14,2%	-3,9 pp
Commercial Speed (km/h)	16,9	16,9	16,9	16,9	0%

(amounts in thousands)

Operating Tram Fleet	2010	2011	2012	2013	13/12
Average number of vehicles (un.)	4	4	6	6	0,0%
Vehicles.km	108	110	115	116	0,3%
Places.km	4.538	4.602	4.846	4.863	0,3%
Vehicles.hour	14	15	16	16	1,9%

Indicators of Tram Supply	2010	2011	2012	2013	13/12
Occupancy rate (%)	15,9%	19,2%	12,0%	12,4%	0,4 pp
Commercial Speed (km/h)	7,6	7,1	7,4	7,3	-1%

Diversion Indicators	2010	2011	2012	2013	13/12
Number of Diversions	278	291	250	266	6%
due to local roadworks	187	204	170	169	-1%
due to street events	91	87	80	97	21%
Average duration of diversions (days)	21	19	16	12	-25%

HUMAN RESOURCES

	2010	2011	2012	2013	13/12
Total number of employees as at 31/12	1.496	1.318	1.262	1.231	-2%
Vehicle crew as at 31/12	988	891	886	860	-3%
Vehicle crew (% total)	66,7%	67,6%	70,2%	69,9%	-0,3 pp
Average total of employees	1.512	1.438	1.287	1.245	-3%

Staff Distribution	2010	2011	2012	2013	13/12
Male employees	1.401	1.226	1.173	1.144	-2,5%
Female employees	95	92	89	87	-2,2%

Absenteeism	2010	2011	2012	2013	13/12
Overall rate as at 31/12 (%)	7,2%	6,8%	7,0%	6,7%	-0,3 pp
Vehicle crew (%)	7,5%	6,9%	7,8%	7,2%	-0,6 pp
Other (%)	6,6%	6,7%	5,2%	5,6%	0,4 pp

Supplementary work	2010	2011	2012	2013	13/12
Hours	79.188	81.189	99.594	101.882	2%
Vehicle crew	77.642	80.700	98.109	99.123	1%
Value (thousand euros)	597	583	589	587	0%
Vehicle crew	579	579	579	568	-2%

Age Structure	2010	2011	2012	2013	13/12
18-29	16	15	12	10	-17%
30-49	735	694	691	668	-3%
> 49	745	609	559	553	-1%
Total	1.496	1.318	1.262	1.231	-2%

Training	2010	2011	2012	2013	13/12
Hours	20.518	13.472	16.743	12.022	-28%
Vehicle crew	16.023	8.625	14.368	8.548	-41%
Continuous training	3.175	8.625	10.140	8.548	-16%
Employees	783	526	464	402	-13%
Vehicle crew	571	263	305	237	-22%
Continuous training	75	263	283	237	-16%

FLEET

Fleet Composition	2010	2011	2012	2013	13/12
Buses	489	468	475	474	-0,2%
Trams	5	5	6	6	0,0%
Total	494	473	481	480	-0,2%

Bus Fleet Composition	2010	2011	2012	2013	13/12
Diesel vehicles	234	213	221	220	-0,5%
Standard	209	173	173	172	-0,6%
Articulated	20	20	20	20	0,0%
Minibuses	5	5	13	13	0,0%
Double-deckers		15	15	15	0,0%
Vehicles running on natural gas	255	255	254	254	0,0%
Standard	225	225	225	225	0,0%
Articulated	30	30	29	29	0,0%
Bus fleet	489	468	475	474	-0,2%

Fleet characteristics	2010	2011	2012	2013	13/12
Natural gas	52,1%	54,5%	53,5%	53,6%	0,1 pp
Air conditioned	74,2%	80,8%	81,1%	81,2%	0,2 pp
Low floor	92,6%	100,0%	98,3%	98,3%	0,0 pp
Folding ramp	58,9%	64,7%	65,3%	65,4%	0,1 pp

Average age	(years)				
	2010	2011	2012	2013	13/12
Trams	72,55	73,55	74,55	75,55	1,0 abs
Buses	9,04	9,19	10,04	11,03	1,0 abs
Diesel	10,71	10,07	10,69	11,68	1,0 abs
Natural gas	7,46	8,46	9,47	10,47	1,0 abs

Vehicle Consumption per Type of Used Fuel	2010	2011	2012	2013	13/12
Diesel (l/100 km)	52,78	54,90	55,02	54,13	-2%
Total cost (m€)	5.364	6.195	6.085	5.201	-15%
Cost per 100 km	46,00	58,25	62,49	59,17	-5%
Average cost (€/por litro)	0,87	1,06	1,14	1,09	-4%
Natural gas (m3/100 km)	68,61	67,66	69,68	70,45	1%
Total cost (m€)	4.842	4.199	4.536	4.636	2%
Cost per 100 km	32,62	28,86	33,32	32,45	-3%
Average cost (€/m³)	0,48	0,43	0,48	0,46	-4%
Traction Energy (Kwh/100 km)	268,92	287,75	309,96	340,65	10%
Total cost (m€)	36,61	47,29	55,77	65,23	17%
Cost per 100 km	33,03	42,04	46,76	54,62	17%
Average cost (€/kW)	0,12	0,15	0,15	0,16	6%

Fleet Operations	2010	2011	2012	2013	13/12
Imobilisation rate	7,9%	7,4%	8,9%	10,9%	1,9 pp
Breakdown rate (per thousand km)	1,19	1,15	1,13	1,17	4,0%

ECONOMIC AND FINANCIAL ACTIVITY

Costs	(thousand euros)				
	2010	2011	2012	2013	13/12
ESS+CGSMC	34.032	34.167	32.281	26.188	-18,9%
Staff costs	39.999	36.934	30.954	31.638	2,2%
Costs/reversals, depreciations, amortisations and provisions	6.531	8.225	9.715	9.067	-6,7%
Operating costs	81.963	80.122	74.566	67.799	-9,1%
Interests and similar costs paid	28.383	48.469	63.221	21.350	-66,2%
Total costs	110.386	128.625	137.840	89.190	-35,3%

% Costs incurred with Staff	2010	2011	2012	2013	13/12
Staff costs / Operating costs	48,8%	46,1%	41,5%	46,7%	5,15 pp
Staff costs / Total costs	36,2%	28,7%	22,5%	35,5%	13,02 pp
Ticket revenue /Staff costs	1,23	1,37	1,61	1,46	-9,4%

Income	(thousand euros)				
	2010	2011	2012	2013	13/12
Tickets	49.166	50.617	49.892	46.202	-7,4%
(PAII) Integrated Financial Support Programme for Senior Citizens	955	998	517	1.621	213,4%
Compensatory indemnities (CI's)	18.975	17.871	10.211	10.211	0,0%
Other income and gains	3.612	4.593	3.781	15.932	321,4%
Total income	72.709	74.080	64.402	73.966	14,9%

State Financial Effort	(thousand euros)				
	2010	2011	2012	2013	13/12
Compensatory indemnities (CI's)	18.975	17.871	10.211	10.211	0,0%
Fare pricing compensation - Andante intermodal system	1.970	2.162	1.244	3.073	147,1%
PAII	955	998	517	1.621	213,4%
Total	21.900	21.031	11.972	14.905	24,5%

Income	(thousand euros)				
	2010	2011	2012	2013	13/12
Operating income	-9.254	-6.383	-10.170	-6.425	36,8%
Before compensatory indemnities	-28.230	-24.254	-20.382	-16.636	18,4%
Financial income	-28.383	-48.128	-63.215	-8.758	86,1%
Net income for the financial year	-37.677	-54.545	-73.439	-15.224	79,3%
Before swap operations	-17.612	-20.514	-31.169	-27.815	10,8%
Before compensatory indemnities	-56.653	-72.416	-83.650	-25.435	69,6%

	(amounts in euros per thousand km)				
	2010	2011	2012	2013	13/12
Operating income / passenger.km	187,07	192,61	184,83	208,70	12,9%
Before compensatory indemnities	138,25	146,15	155,52	173,97	11,9%
Operating costs / passenger.km	183,24	208,32	214,02	230,54	7,7%
Before amortisations	194,09	190,88	197,32	210,85	6,9%
Operating income / place.km	27,89	29,18	27,93	28,96	3,7%
Before compensatory indemnities	20,61	22,14	23,50	24,14	2,7%
Operating costs / place.km	27,32	31,56	32,34	31,99	-1,1%
Before amortisations	28,93	28,92	29,82	29,26	-1,9%

% Operating Costs	2010	2011	2012	2013	13/12
Provision of services	60,2%	63,4%	67,2%	68,3%	1,2 pp
Operating grants	24,3%	23,6%	14,4%	17,5%	3,1 pp
Operating income	88,7%	92,5%	86,4%	90,5%	4,2 pp

Activity Indicators	(amounts in thousand euros)				
	2010	2011	2012	2013	13/12
Production	69.310	69.691	60.864	58.154	-4,5%
Per average employee	45,8	48,5	47,3	46,7	-1,3%
Before compensatory indemnities	50.334	51.820	50.652	47.943	-5,3%
Gross value added	37.309	38.165	30.324	34.279	13,0%
Per average employee	24,7	26,5	23,6	27,5	16,8%
Before compensatory indemnities	18.333	20.294	20.113	24.068	19,7%

	(amounts in days)				
	2010	2011	2012	2013	13/12
Average payment term	54,4	52,2	45,62	53,9	18,1%
Average collection term	10,6	33,8	12,1	16,4	36,0%

	2010	2011	2012	2013	13/12
General liquidity ratio	11,3%	11,2%	4,8%	3,5%	-1,3 pp
Reduced liquidity ratio	10,6%	10,7%	4,5%	3,3%	-1,2 pp
Quick liquidity ratio	1,0%	0,9%	0,2%	0,05%	-0,2 pp

Balance Sheet Structure	(milhares de euros)				
	2010	2011	2012	2013	13/12
Assets	114.746	109.617	93.958	90.949	-3,2%
Non current	102.624	95.881	87.070	80.541	-7,5%
Current	12.122	13.735	6.889	10.408	51,1%
Equity and liabilities	114.746	109.617	93.958	90.949	-3,2%
Equity	-275.747	-330.719	-407.639	-422.997	-3,8%
Liabilities	390.493	440.336	501.598	513.946	2,5%

Financing received	(amounts in thousand euros)				
	2010	2011	2012	2013	13/12
Non current	241.259	242.346	237.826	113.461	-52,3%
Current	94.144	110.624	132.839	282.474	112,6%
Total	335.403	352.970	370.665	395.935	6,8%

Investments	(amounts in thousand euros)				
	2010	2011	2012	2013	13/12
Rolling stock	11.765	116	18	0	-100%
Infrastructures	220	650	1.057	0	-100%
Other	270	183	1.266	67	-95%
Total	12.255	949	2.341	67	-97%

OTHER ACTIVITY INDICATORS

	2010	2011	2012	2013	13/12
Weighted variation of (single mode) fare pricing	0,8%	11,9%	22,0%	0,9%	-21,1 pp
Annual inflation rate	1,4%	3,7%	2,8%	0,3%	-2,5 pp
Variation of diesel unit average cost	19,3%	21,7%	7,0%	-3,8%	-10,8 pp
Variation of natural gas unit average cost	1,8%	-10,3%	15,8%	-3,7%	-19,5 pp

Productivity	2010	2011	2012	2013	13/12
Vehicle.km (10 ³) / average staff	19,7	19,9	20,0	18,8	-5,8%
Place.km (10 ³) / average staff	1.724,4	1.765,6	1.792,2	1.702,0	-5,0%
Passenger (10 ³) / average staff	72,2	75,4	72,9	64,6	-11,4%
Passenger.km (10 ³) / average staff	257,1	267,5	270,8	236,2	-12,8%
Network stretch (Km) / average staff	0,36	0,36	0,38	0,39	2,4%

(amounts in thousand euros)

Evolution of Supplementary Pensions	2010	2011	2012	2013	13/12
Supplementary pensions paid in the year	575	540	498	478	-4%
Average number of pensioners	307	288	256	219	-14%

Energy consumption	2010	2011	2012	2013	13/12
Tram electricity					
(kWh)	297.652	323.693	369.670	406.806	10,0%
kWh/100km	271	288	310	341	9,9%
Teo	86	94	107	118	10,0%
Fixed installed electricity					
(kWh)	4.940.201	4.724.391	4.465.817	3.959.143	-11,3%
Teo	1.433	1.370	1.295	1.148	-11,3%
Diesel					
Litres	6.154.613	5.838.263	5.357.625	4.758.484	-11,2%
litres/100km	52,78	54,90	55,02	54,13	-1,6%
Teo	5.370	5.094	4.675	4.152	-11,2%
Natural gas (1)					
Cubic metres	10.184.235	9.844.229	9.484.226	10.066.228	6,1%
m ³ /100km	68,61	68,71	69,68	70,45	1,1%
Teo	8.351	8.072	7.777	8.254	6,1%
Total Teo	15.240	14.631	13.854	13.673	-1,3%

Teo - tonnes equivalent to oil

Estimates calculated according to Ordinance n° 228/90 of 27 March

[1] Source: amounts based on the meter of Francos Bus Depot Delivery Point

10.2 Global Reporting Initiative Index Table (GRI)

STCP's sustainability performance as well as selection and definition of the main indicators were based on guidelines outlined in the GRI Reporting Framework (*Global Reporting Initiative*).

	PAGES
1. Strategy and Analysis	
1.1 Chairman's Statement	7
1.1 Key impacts on sustainability, risks and opportunities arising from sustainability trends	21-47
2. Organisational Profile	
2.1 Name of the organisation	198-199
2.2 Main products and/or services	50
2.3 Operational structure of the organisation	51-56
2.4 Location of organisation's head office	199
2.5 Number and names of countries where the organisation operates	50
2.6 Nature of ownership and legal form	50
2.7 Markets served	50
2.8 Size of the organisation	9, 184-192
2.9 Significant changes during the reporting period regarding size, organisational or shareholder structure	10-19
2.10 Awards received in the reporting period	NR
3. Report Parameters	
3.1 Reporting period	2, 7, 9
3.2 Date of most recent previous report	ND
3.3 Reporting cycle	CAPA, 9
3.4 Contacts for questions regarding the report or its contents	198
3.5 Process for defining report content	2-3, 21-23
3.6 Boundary of the report	9, 50
3.7 Specific limitations on the scope or boundary of the report	9, 50
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organisations	119-120, 132-133
3.9 Data measurement techniques and bases of calculation including assumptions and techniques underlying estimates applied to the compilation of the indicators and other information in the report	108-159
3.10 Explanation of the effect of any restatements of information provided in earlier reports and the reasons for such restatements	108-159
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	108-159
3.12 GRI content index	193-198
3.13 Policy and current practice with regard to seeking external assurance for the report	ND

PAGES

4. Governance, Commitments and Engagement

	Governance	
4.1	Governance structure of the organisation including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight	53-58
4.2	Indication whether the Chair of the highest Governance Body is also an executive officer	54
4.3	Number of members of the Highest Governance Body that are independent and/or non executive members	54
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest Governance Body	52, 57
4.5	Linkage between the compensation for members of of the highest Governance Body , senior managers and executives and the organisation's performance	57-61
4.6	Processes in place for the highest Governance Body to ensure conflicts of interest are avoided	67, 77-78
4.7	Process for determining qualifications and expertise of the members of the highest Governance Body in order to set the organisation's strategy regarding issues relative to economic, environmental and social performance	50-56
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation	50, 77
4.9	Procedures of the highest Governance Body for overseeing the organisation's identification and management of economic, environmental and social performance including relevant risks and opportunities and adherence or compliance with internationally agreed standards, codes of conduct and principles	21-22, 50, 77-78
4.10	Processes for evaluating the highest Governance Body's own performance, particularly with respect to economic, environmental and social performance	9-49, 63-66, 80-84, 87-95
	Commitments to external initiatives	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	49-52
4.12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or endorses	21-47, 49-50, 63-66
4.13	Membership in associations and/or national or international advocacy organisations	36
	Stakeholder Engagement	
4.14	List of stakeholder groups engaged by the organisation	21-47, 51-62, 67-69
4.15	Basis for identification and selection of stakeholders with whom to engage	49-52
4.16	Approaches to stakeholder engagement including frequency of engagement by type and by stakeholder groups	21-47, 77-84
4.17	Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded to those key topics and concerns including through its reporting	21-47, 49-52, 77-84

5. Management Approach and Performance Indicators

	Economic Performance Indicators	
	Aspect: Economic Performance	
EC1	E Direct economic value generated and distributed	88-95, 103, 159
EC2	E Financial implications and other risks and opportunities for the organisation's activities due to climate changes	38-41
EC3	E Coverage of the organisation's defined benefit plan obligations	26-44, 112
EC4	E Significant financial assistance received from the government	94, 103, 111-112, 134-135, 137-139, 190

			PAGES
Aspect: Market Presence			
EC5	C	Range of ratios of standard entry level wage compared to local minimum wage	ND
EC6	E	Policies, practices and proportion of spending on locally-based suppliers	69
EC7	E	Procedure for local hiring and proportion of senior management hired from the local community	ND
Aspect: Indirect Economic Impacts			
EC8	E	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial in kind or pro bono engagement	34-38
EC9	C	Understanding and describing significant indirect economic impacts including the extent of impacts	7, 9, 87-95, 145-147
Environmental Performance Indicators			
Aspect: Materials			
EN1	E	Materials used by weight or volume	38-41, 192
EN2	E	Percentage of materials used that are recycled input materials	ND
Aspect: Energy			
EN3	E	Direct energy consumption by primary energy source	38-41, 192
EN4	E	Indirect energy consumption by primary source	ND
EN5	C	Energy saved due to conservation and efficiency improvements	39-40
EN6	C	Initiatives to provide energy-efficient or renewable energy based products and services and reductions in energy requirements as a result of these initiatives	39-40
EN7	C	Initiatives to reduce indirect energy consumption and reductions achieved	38-40
Aspect: Water			
EN8	E	Total water withdrawal	41
EN9	C	Water sources significantly affected by withdrawal of water	41
EN10	C	Percentage and total volume of water recycled and reused	ND
Aspect: Biodiversity			
EN11	E	Location and size of land owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	NR
EN12	E	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	NR
EN13	C	Habitats protected or restored	NR
EN14	C	Strategies, current actions and future plans for managing impacts on biodiversity	NR
EN15	C	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	NR
Aspect: Emissions, Effluents and Waste			
EN16	E	Total direct and indirect greenhouse gas emissions by weight	39-40
EN17	E	Other relevant indirect greenhouse gas emissions by weight	ND
EN18	C	Initiatives to reduce greenhouse gas emissions and reductions achieved	38-40
EN19	E	missions of ozone-depleting substances by weight	39-40
EN20	E	NOx, SOx and other significant air emissions by type and weight	ND
EN21	E	Total water discharge by quality and destination	ND
EN22	E	Total weight of waste by type and disposal method	41
EN23	E	Total number and volume of significant spills	NR
EN24	C	Weight of transported, imported, exported or treated waste deemed hazardous under the terms of the Basel Convention and percentage of transported waste internationally shipped	ND
EN25	C	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharge of water and runoff	NR

PAGES

Aspect: Products and Services			
EN26	E	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation	38-41
EN27	E	Percentage of products sold and their packaging materials that are reclaimed by category	NR
Aspect: Compliance			
EN28	E	Monetary value of significant fines and total number of non monetary sanctions for non compliance with environmental laws and regulations	NR
Aspect: Transport			
EN29	C	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations and transporting members of the workforce	ND
Aspect: Overall			
EN30	C	Total environmental protection expenditure and investments by type	ND
Performance indicators of Labour practices and decent work			
Aspect: Employment			
LA1	E	Total workforce by employment type, employment contract and region	42-44, 187-188
LA2	E	Total number and rate of new employee hires and employee turnover by age group, gender and region	42-44, 187-188
LA3	C	Benefits provided to full time employees that are not provided to temporary or part time employees	NR
Aspect: Labour/Management Relations			
LA4	E	Percentage of employees covered by collective bargaining agreements	ND
LA5	E	Minimum notice period regarding operational changes, including whether it is specified in collective agreements	ND
Aspect: Occupational Health and Safety			
LA6	C	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	45
LA7	E	Rates of injury, occupational diseases, lost days, absenteeism and number of work related fatalities by region	46, 187
LA8	E	Education, training, counseling, prevention and risk control programmes in place to assist workforce members, their families or community members regarding serious diseases	45-46
LA9	C	Health and safety topics covered in formal agreement with trade unions	ND
Aspect: Training and Education			
LA10	E	Average hours of training per year, per employee by gender, and by employee category	45, 188
LA11	C	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	45
LA12	C	Percentage of employees receiving regular performance and career development reviews	45
Aspect: Diversity and Equal Opportunities			
LA13	E	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	42-44, 51
LA14	E	Ratio of basic salary and remuneration of women to men by employee category	44
Social Performance Indicators			
Human Rights			
Aspect: Investment and Procurement Practices			
HR1	E	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns or that have undergone human rights screening	NR
HR2	E	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening and actions taken	ND

PÁGINAS

HR3	C	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	NR
Aspect: Non Discrimination			
HR4	E	Total number of incidents of discrimination and corrective actions taken	NR
Aspect: Freedom of Association and Collective Bargaining			
HR5	E	Identified cases in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk and actions taken to support these rights	NR
Aspect: Child Labour			
HR6	E	Identified cases in which there may be significant risk for incidents of child labour and measures taken to contribute to the effective abolition of child labour	NR
Aspect: Forced and Compulsory Labour			
HR7	E	Cases identified as having significant risk for incidents of forced or compulsory labour and measures to contribute to the elimination of all forms of forced or compulsory labour	NR
Aspect: Security Practices			
HR8	C	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are not relevant to operations	NR
Aspect: Indigenous Rights			
HR9	C	Total number of incidents of violations involving rights of indigenous people and actions taken	NR
Society			
Aspect: Community			
SO1	E	Nature, scope and efficiency of programmes and practices in order to assess and manage impacts of operations on communities at the moment of their implementation, during the operations and also at the time of their removal	ND
Aspect: Corruption			
SO2	E	Percentage and total number of business units analysed for risks related to corruption	72, 76-84
SO3	E	Percentage of employees trained in organisation's anti-corruption policies and procedures	NR
SO4	E	Actions taken in response to incidents of corruption	NR
Aspect: Public Policies			
SO5	E	Public policy positions and participation in public policy development and lobbying	NR
SO6	C	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	NR
Aspect: Anti-Competitive Behaviour			
SO7	C	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes	137
Aspect: Compliance			
SO8	E	Monetary value of significant fines and total number of non monetary sanctions for non compliance with environmental laws and regulations	NR
Product responsibility			
Aspect: Customer Health and Safety			
PR1	E	Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures	ND
PR2	C	Total number of incidents of non compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	ND
Aspect: Product and Service Labeling			
PR3	E	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements	NR

			PAGES
PR4	C	Total number of incidents of non compliance with regulations and voluntary codes concerning product and service information and labeling by type of outcomes	NR
PR5	C	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	27, 185
Aspect: Marketing Communications			
PR6	E	Programmes for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship	NR
PR7	C	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising promotion and sponsorship by type of outcomes	NR
Aspect: Customer Privacy			
PR8	C	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	NR
Aspect: Compliance			
PR9	E	Monetary value of (significant) fines for non compliance with laws and regulations concerning the provision and use of products and services	NR

Source: GRI (2006) - "G3: "Sustainability Reporting Guidelines"

C - Additional Indicator

E - Core Indicator

NR - "Not relevant " or "not applicable indicator"

ND - "Not available" or just "partially available" Indicator

For further information please get in touch with:
 Planning Control and Audit Management
 Sociedade de Transportes Colectivos do Porto, SA
 Av. Fernão de Magalhães, 1862-13º
 4350-158 Porto
 e-mail: geral@stcp.pt



STCP Sociedade de Transportes Colectivos do Porto, S.A.

Av. Fernão Magalhães 1862, 13º - 4350-158 Porto

Tel: +351 225 071 000

Fax: +351 225 071 150

e-mail: geral@stcp.pt

www.stcp.pt

Capital Social: 79.649.000 euros

Capital Próprio: (422.996.578,11) euros

Contribuinte: 500246467

**Registada na 2ª Conservatória do Registo Comercial do Porto
com o nº 51372**

**Edição e Propriedade: STCP Sociedade de Transportes
Colectivos do Porto, S.A.**

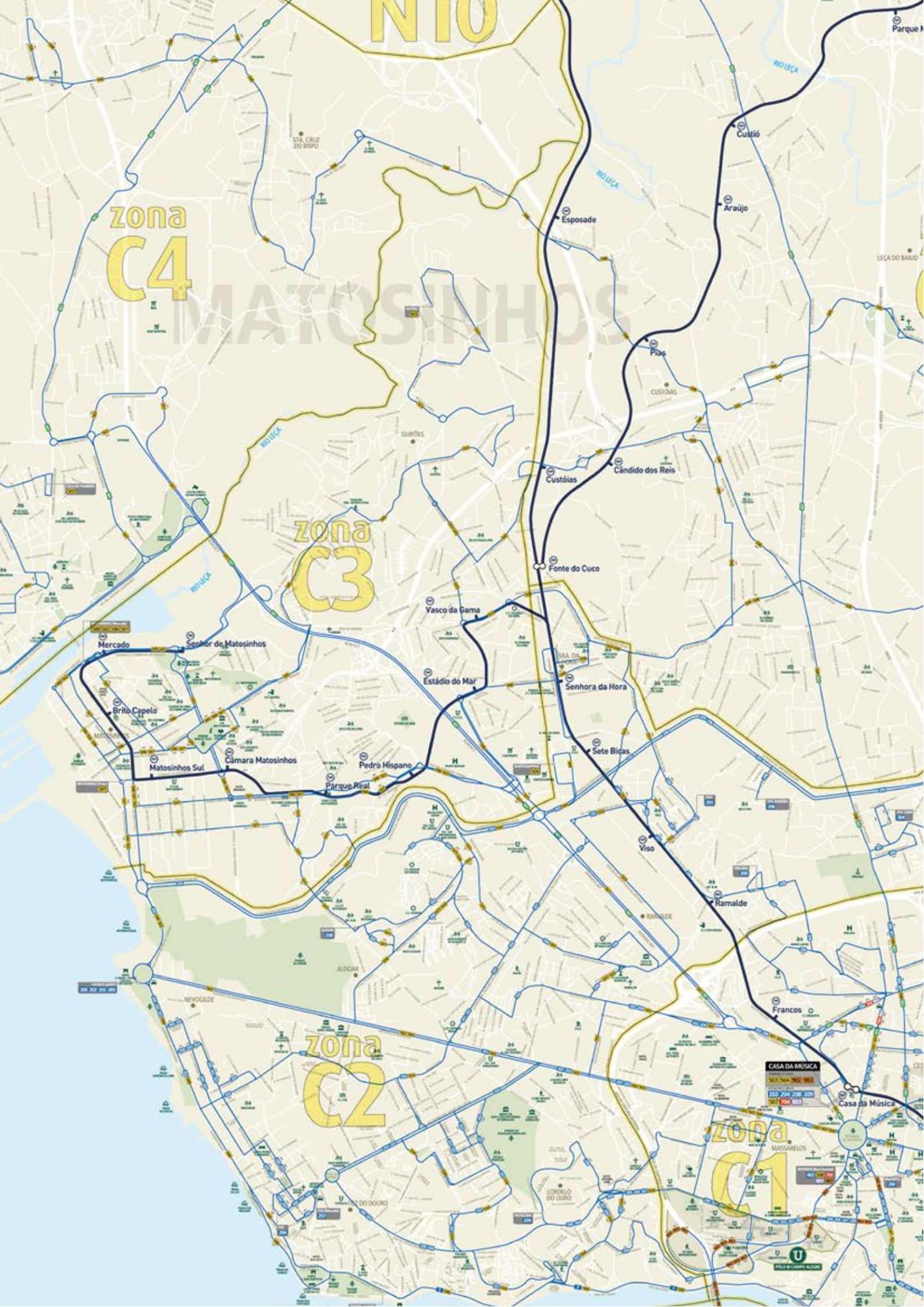
Design e Produção: Atelier Nunes e Pã

Impressão: Gráfica Vilar do Pinheiro

Exemplares: 200

Ano de Edição: 2014

Depósito Legal nº 225450/05



zona
C4

zona
C3

zona
C2

zona
C1

CASA DA MÚSICA
961 504 902 903
203 294 298 209
961 204 903

Casa da Música

MASSARELOS

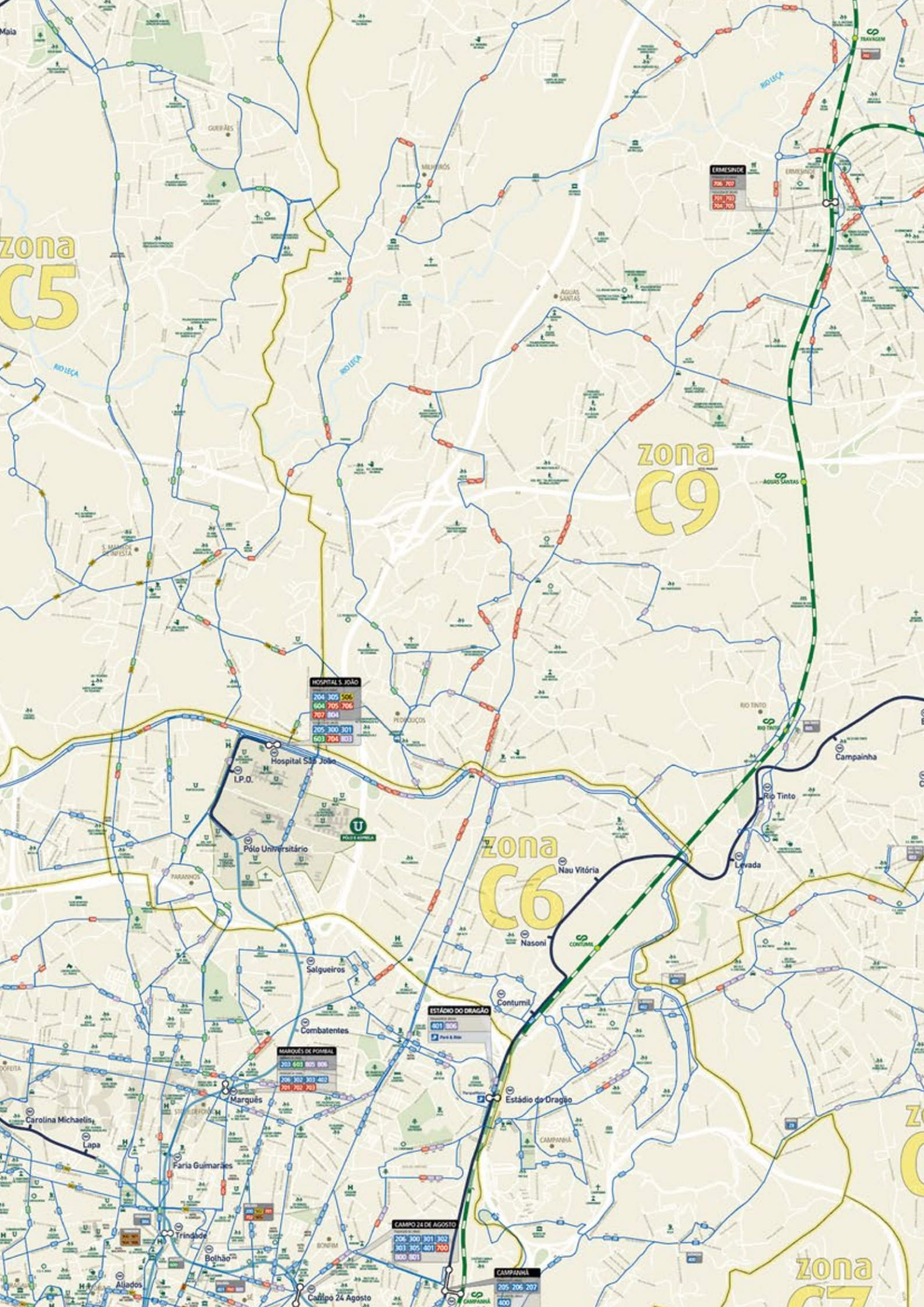
POLO 8 CAMPO NOVO

zona
C5

zona
C9

zona
C6

zona
C7





ISO 9001
ISO 14001
OHSAS 18001

